



Title: INFLUENCE OF SOCIAL CAPITAL ON INTER-FIRM KNOWLEDGE TRANSFER: A QUALITATIVE STUDY OF SMALL AND MEDIUM SCALE ENTERPRISES IN NIGERIA

Name: VICTOR OSITA AKUNNA

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**INFLUENCE OF SOCIAL CAPITAL ON INTER-FIRM
KNOWLEDGE TRANSFER: A QUALITATIVE STUDY OF
SMALL AND MEDIUM SCALE ENTERPRISES IN NIGERIA**

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PhD

**UNIVERSITY OF BEDFORDSHIRE
2018**

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KNOWLEDGE TRANSFER: A QUALITATIVE STUDY OF
SMALL AND MEDIUM SCALE ENTERPRISES IN NIGERIA

by

VICTOR OSITA AKUNNA

A thesis submitted to the University of Bedfordshire in partial
fulfilment of the requirements for the degree of Doctor of
Philosophy

January 2018

DECLARATION

I, Victor Osita Akunna, declare that this thesis and the work presented in it are my own and have been generated by me as the result of my own original research.

1. This work was done wholly or mainly while in candidature for a research degree at this University;

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Abstract

This thesis explores the influence of social capital on knowledge transfer among Nigerian Small Medium scale Enterprises' (SME) managers. It aimed to address a number of important gaps recognized in the literature, particularly because there is limited research in this area as regards developing countries in disparity to developed countries. Specifically, the study attempts to shed light on how Nigerian SME managers perceive social capital, how social capital develops in Nigerian SMEs, how Nigerian SME managers transfer knowledge among each other and how social capital influences knowledge transfer within the context of Nigerian SMEs.

Extant literature has focused more on how social capital influences knowledge transfer within the context of multinational corporations in developed economies with limited focus on SMEs and specifically, SME managers in developing ones. This study contributes to addressing this critical gap in literature by adopting an SME perspective to exploring how social capital influences knowledge transfer among Nigerian SME managers.

A qualitative research method is adopted, involving semi-structured interviews of 26 Nigerian SME managers in Nigeria. Thematic analysis has been conducted using NVivo to identify relevant themes and subthemes in relation to the focus of the study.

A conceptual framework was developed to illustrate how Nigerian SME managers develop social capital by leveraging on building synergy, attending business events, deliberately targeting proven knowledge sources, developing passionate personality, leveraging on shared values, volunteering and referrals. However, for SME managers to develop social capital, they must initiate interaction, position themselves to be seen and find ways to network. This conceptual framework not only highlights how Nigerian SME managers perceive social capital, it went further to highlight the different social capital triggers from the perspective of Nigerian SME managers.

Overall, this study reveals that weak ties can also access tacit knowledge transfer, if the knowledge seeker leverages on referrals which provide the privileges of strong ties. Moreover, this study found that tacit knowledge can be transferred in a large network with weak ties when the nature of the discussion is intense. This happens among SME managers in large WhatsApp groups, where SME managers barely know each other.

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List of Abbreviations

CAQDAS	Computer Assisted Qualitative Data Analysis Software
DBF	Daystar Business Forum
GDP	Gross Domestic Product
SBA	U.S. Small Business Administration
SME	Small and Medium scale Enterprise
MNC	Multinational Corporations
TQA	Thematic Qualitative Analysis
SC	Social Capital
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria

Chapter One: Introduction

1.0 Overview

The critical roles of Small and Medium Scale Enterprises (SMEs) are employment, rural development (Muritala *et al.*, 2012; Etuk *et al.*, 2014; Taiwo *et al.*, 2016), building gross domestic product (GDP) (Ihugba *et al.*, 2014), and balance of trade (Zonooz *et al.*, 2011). For SMEs to thrive and survive, it is expedient to access relevant knowledge (Bresman *et al.*, 1999; Lane *et al.*, 2001; Davenport, 2005; Cerchione and Esposito, 2017). However, knowledge transfer is mired in complexities (Szulanski, 1996; Howells, 2002; Ahammad *et al.*, 2016), and is not often within the SME (Chen *et al.*, 2006; Capaldo, 2007; Carey *et al.*, 2011; Colombo *et al.* 2012; Grigoriou, and Rothaermel, 2017). Hence to access knowledge, SME managers must explore channels, such as their networks and relationships (Nahapiet and Ghoshal, 1998; Putnam, 2000; Colombo *et al.* 2012; Abas and Jali, 2015; Scuotto, Santoro, Bresciani, and Del Giudice, 2017; Bojica, Estrada, and del Mar Fuentes-Fuentes, 2018). This study aims to explore how social capital influences the transfer of knowledge among Nigerian SME managers.

1.1 Rationale for the Research

Previous research reveals that one of the challenges experienced by SMEs is often inadequate resources, which include relevant knowledge that helps them remain competitive within the industry (Baptista Nunes *et al.*, 2006; Etuk *et al.*, 2014; Uchegbulam and Akinyele, 2015; Mahdi, Nassar, and Almsafir, 2019). When this knowledge is not within the firm, it is sought for and acquired from outside the firm (Chen *et al.*, 2006; Capaldo, 2007; Carey *et al.*, 2011). This is the case in Nigerian SMEs, as they lack important knowledge which can position and strengthen their competitive advantage, thereby helping them remain in business in such a challenging business environment as Nigeria (Eniola and Ektebang, 2014; Uchegbulam and Akinyele, 2015; Ige *et al.*, 2017). Statistics show that SME employ the bulk of the workforce in the Nigerian private sector (Somoye, 2013). Hence, the high vulnerability of SMEs implies that building sustainable competitive advantage through knowledge transfer is critical to survival.

However, since SMEs do not have a structured knowledge management or knowledge transfer system, knowledge transfer is likely to take place in an informal setting during social interaction (Nahapiet and Ghoshal, 1998; Yli-Renko *et al.*, 2001; Pak and Park, 2004; Scuotto, Santoro, Bresciani, and Del Giudice, 2017). Nonaka *et al.* (2008) captured it succinctly: “the most prominent feature of knowledge, compared with physical resources and information, is that it is born of human interaction. It is not a self-contained substance waiting to be discovered and collected. Knowledge is created by people in their interactions with each other and the environment” (p.7). This is as a result of knowledge being embedded in individuals (Argote *et al.*, 2000; Del Giudice, Carayannis, and Maggioni, 2017;), and in most cases, in the SME systems and processes, but the bulk of it is embedded in the SME manager. Hence, for knowledge transfer to occur among SME managers, interaction would have to take place between SME managers which is facilitated by social interactions, a key element of social capital (Nahapiet and Ghoshal, 1998; Cummings and Teng, 2003; Noorderhaven and Harzing, 2009). Therefore, it is expedient to explore how social capital influences knowledge transfer among Nigerian SMEs.

Social capital refers to “connections among individuals - social networks and the norms of reciprocity and trust-worthiness that arise from them” (Putnam, 2000, p. 19). It is the “features of social organisation, such as trust, norms, and networks, that can improve the efficiency of society by facilitating co-ordinated actions” (Putnam, 1993, p. 167). According to Nahapiet and Ghoshal (1998), “social capital is the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit” (p.243). The general perception guiding social capital research is that the goodwill expressed towards an individual, a team or organisation is a valuable resource (Adler and Kwon, 2002). These valuable resources are embedded in network of relationships, which provide members access to a collectively owned capital, a 'credential' which gives them access to credit when they need it (Bourdieu, 1986). This is particularly the case in a high-context and collectivist culture like Nigeria, where knowledge is often communicated in implicit ways, relying heavily on contexts (Hall and Hall, 1990; Hofstede and Hofstede, 2005).

Nigeria is a developing country in sub-Saharan Africa with over 19.4 million micro, small and medium enterprises (SMEDAN, 2014) and an estimated population of 170.12 million in 2012 (Marketline, 2013), many of whom are employed by SMEs. However, SMEs in Nigeria experience high mortality rate, with many shops closing within their first five years of existence, while a meagre 10% survive, thrive and grow to full maturity (Aremu and Adeyemi, 2011). Hence, considering that key institutions designed to support SMEs in Nigeria are either weak or non-existent (Anakwe, 2011; Ihugba *et al.*, 2013; Etuk *et al.*, 2014; Torruam and Abur, 2014), SMEs rely on informal sectors (social structures), such as social capital, to access relevant resources and knowledge.

These resources and knowledge are embedded in the relationship and interactions between managers of SMEs (Nahapiet and Ghoshal, 1998). This is particularly intense in a collectivist and high-context culture, like Nigeria, where knowledge is often embedded in individuals (Hall and Hall, 1990; Hofstede and Hofstede, 2001). Hence, for the transfer of relevant knowledge to occur between SME managers at a deep, vulnerable, meaningful level, there has to be interaction between the knowledge source and the recipient within a trustful network (Nahapiet and Ghoshal, 1998). Hence, this research aims to explore how social capital influences knowledge transfer among Nigerian SME managers.

1.1 Research Aim

This research aims to explore the influence of social capital in the transfer of knowledge among Nigerian managers of small and medium scale enterprises.

1.2 Research Questions

1. How do managers in Nigeria develop social capital?
2. How does social capital influence knowledge transfer among Nigerian SME managers?

1.3 Research Objectives

In order to address the research aim and to answer the research questions, the following research objectives will be met:

1. To understand how Nigerian SME managers perceive social capital.
2. To understand how social capital develops in Nigerian SMEs.
3. To understand how Nigerian SME managers transfer knowledge among themselves.
4. To examine how social capital influences knowledge transfer within the context of Nigerian SMEs.

1.5 Gaps in Research

Although knowledge transfer has been extensively researched in literature, there are still a number of gaps:

Focus on large companies and on MNCS: Different scholars have conducted research on the impact of social capital on knowledge transfer, particularly within multinational corporations (MNCs) (Anderson and Jack, 2002; Inkpen and Tsang, 2005; Kumar *et al.*, 2009; Kang and Sauk Hau, 2014; Li *et al.*, 2014). This spans across a systematic conceptual evaluation of social capital and knowledge transfer and various elements that impact on knowledge exchange (Inkpen and Tsang, 2005). However, little research captures how social capital influences knowledge transfer among SME managers in Nigeria. This is particularly important because MNCs and SMEs are fundamentally different in their configurations, challenges, operations and resources. Hence, SMEs are not merely scaled-down versions of large firms (Andrade *et al.*, 2012; Ojasalo and Ojasalo, 2015). This explains why collaborations with partner SMEs often increase the possibility for product launches, which is rarely the case for large firms (Spithoven *et al.*, 2013).

Focus on other contexts: There is evidence in extant literature that highlights how social capital theory is being adopted by researchers to shed light on how individuals and organisations transfer knowledge (Adler and Kwon, 2002; Inkpen and Tsang, 2005; Wah *et al.*, 2008; Wei *et al.*, 2011). However, few of these researchers examined these concepts within the context of **developing countries**, especially Nigeria; evidence only shows similar

studies in South Korea (Wang and Noe, 2010) and China (Wei *et al.*, 2011) and Germany (Zimmermann and Ravishankar, 2014). Moreover, none of them examined it from the **perspective of SME managers**. This lack of research seems to constrain in-depth understanding of the studied phenomena within other contexts.

1.6 Outline of Research Methodology and Process

Considering that the aim of this study is to explore the influence of social capital on knowledge transfer between SME managers in Nigeria, a qualitative strategy was adopted for this study. This enabled the researcher to explore the phenomenon from the research participants' perspectives, while also facilitating the interpretation of their opinions and experiences in particular (Denzin and Lincoln, 2000; Bryman and Bell, 2015). Hence, to address the research aim and objectives of this study, qualitative research strategy was suitable. Based on this, qualitative interviewing was adopted and data collection was conducted through individual semi-structured interviews, while thematic analysis was deployed to analyse the data.

As suggested by Boyatzis (1998), the thematic qualitative analysis is suitable for use with qualitative data. It is quite valuable for identifying, analysing and reporting common patterns or themes existing within the data (Braun and Clarke, 2006). Based on the inductive, data-driven approach adopted by this study, themes emerged from the data, as social capital only provided a broad guideline. Moreover, during the course of the study, open-ended questions were adopted, as the researcher was open to seeing the development of new concepts. This resulted in a rich account of the data set. The various stages embarked upon in this study are illustrated in figure 1.1.

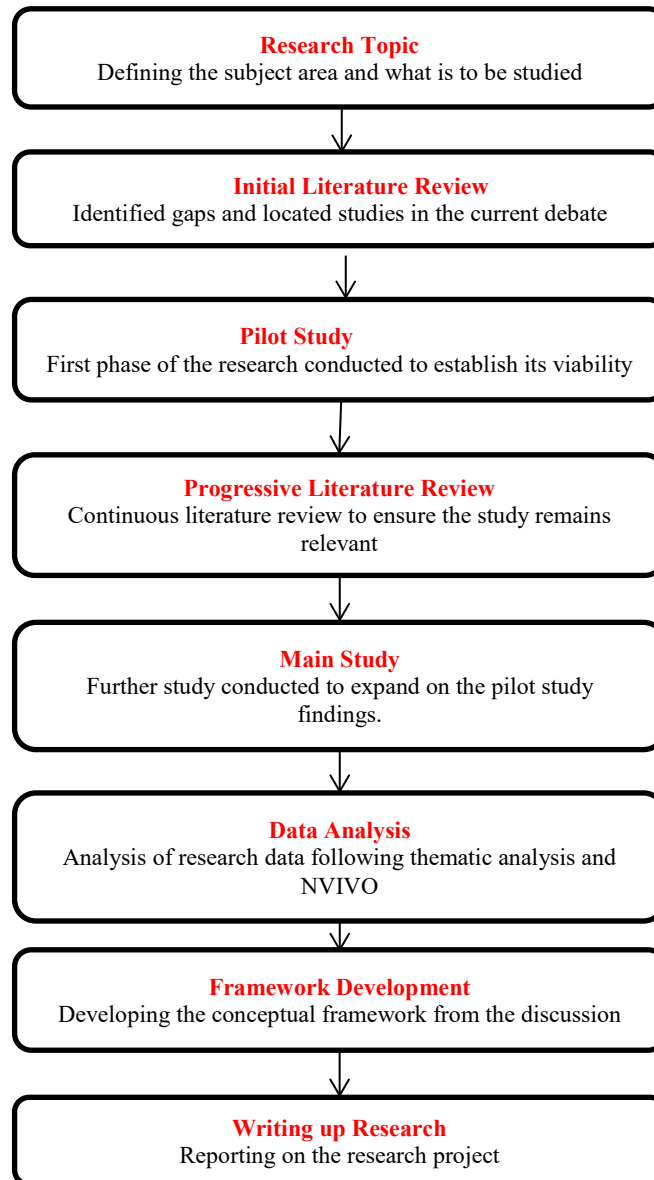


Figure 1.1: Research process

1.7 Structure of the Research

Chapter One: Introduction – This chapter presents an overview of the research. This includes the research rationale, research aim, research objectives, research gaps, key terms in the research, research process and approaches and finally, the structure of the thesis.

Chapter Two: Literature Review – This chapter presents the literature review, including the theoretical underpinning deployed for the study. It covers knowledge, knowledge transfer, a discussion of small and medium scale enterprises, their knowledge transfer behaviour and how social capital influences it, as identified in the extant literature. This chapter also introduces the theoretical foundation of the research – social capital. This chapter concludes with a review of the relevant theories utilised in knowledge transfer research.

Chapter Three: Research Methodology – This chapter highlights the research methodology adopted in this study and the justification for its use. It also addresses the philosophical position of this research, research methods, research methodology, sample, sampling strategy, unit of analysis, data collection methods, the utilised data analysis method, along with limitations and ethical consideration of the research.

Chapter Four: Data Analysis, Findings and Discussion – This chapter highlights the step-by-step process of the data analysis approach, which was completed utilising the thematic analysis in NVivo 11. This includes how the codes, sub-themes and main themes originated. This chapter also presents the conceptual framework, key results, findings and how they relate to the literature.

Chapter Five: Conclusion – This final chapter summarises the entire study and arrives at a conclusion. It also depicts the contributions to knowledge, practice and theory, including the implications of the research.

Chapter Two: Literature Review

2.0 Introduction

This literature review chapter is broadly split into three sections. It begins by highlighting the literature review strategy deployed by the researcher, followed by an overview of knowledge management, knowledge transfer, and social capital. The third section of this literature review focuses on Small and Medium scale Enterprises (SMEs), who they are and why they are important, especially how knowledge transfer happens within them.

This chapter highlights and discusses relevant literature, various concepts, theories and models relevant to this study. These include social capital theory, knowledge transfer, culture, small and medium scale enterprises. This review of literature will help to clarify the relevance of this study, which aims to understand how social capital influences the transfer of knowledge among Nigerian managers of SMEs. Considering the fact that little has been written on how social capital influences knowledge transfer in SMEs in developing economies, such as African countries, this study proposes to explore this field further. The documented research on developing economies focuses on limited contexts (Hargadon and Sutton, 1997; McEvily and Zaheer, 1999; Edelman et al. 2004; Schilling and Phelps, 2007; Dittrich and Duysters, 2007; Bae and Koo, 2008; Tiwana, 2008; Phelps 2010; Li et al, 2010; Wei *et al.* (2011), hence making it expedient to present a literature review that is focused, yet sufficiently robust, to address the scope of the research.

Literature review strategy

The literature review search strategy employed for this research is depicted in Table 2.0 below.

Table 2.0: Literature review search strategy

LITERATURE REVIEW STRATEGY	
Keywords	Social capital, knowledge management, knowledge transfer, small and medium enterprises, SME, small business manager, Nigeria
Time Frame	1986 to 2018
Databases	DISCOVER (University of Bedfordshire library), EBSCOhost, Emerald Management Xtra, Sage ScienceDirect, Springer journal collection, Wiley journal collection, SCOPUS
Types of Literature	Academic journals, review papers, articles, book chapters
Fields	Abstract, title, keywords
Limiters	Peer-reviewed, full text, English language
Frequency	Monthly search alerts set up on databases to ensure literature is constantly updated

Justifying Key Components

Evidence in literature demonstrates that firms benefit from social capital, as it facilitates access to knowledge, a strategic tool for competitive advantage and effective decision making (Assens, and Coléno, 2014; Loebbecke *et al.*, 2016; Ruiz-Ortega *et al.*, 2016). However, for effective knowledge transfer to occur, there has to be an effective capture of rich, adequate and relevant knowledge, which must be deployed to solve problems within firms, develop new insight from the process (Nahapiet and Ghoshal, 1998; Goh, 2002) and build competitive advantage (Argote and Ingram, 2000; Loebbecke *et al.*, 2016; Ruiz-Ortega *et al.*, 2016; North and Kumta, 2018). Additionally, this process of knowledge transfer from one source to the other, e.g. between managers, is often entrenched in myriad of complexities and obstacles which limit the free flow of knowledge to the intended recipient (Wesley *et al.*, 1994; Szulanski, 2000; McDermott and O'Dell, 2001; Sun and Scott, 2005; Kumar *et al.*, 2009).

Organizations are perceived as knowledge integrating institutions because of their increasing demand for knowledge as critical requirement for production (knowledge-based view) (Grant, 1996). This theory of the firm, evolved from strategic management literature (Cole 1998; Spender 1996a, 1996b; Nonaka and Takeuchi 1995). It evolves and extends the resource-based theory of the firm, originally proposed by Penrose (1959) and eventually expanded by other scholars (Wernerfelt 1984; Conner 1991; Barney 1991, 2001).

This theory asserts that the services offered by tangible resources is based on how they are combined and deployed, which in turn is determined by the organization's competencies (that is knowledge). This knowledge is often embedded and transferred through a number of sources, which include the culture of an organization, routines, procedures, processes, documents, including individuals in the organization (Grant 1996a, 1996b; Nelson and Winter 1982; Spender 1996a, 1996b). Leveraging this embedded knowledge enables organizations derive sustainable competitive advantage from knowledge-based resources because they are often socially complex and difficult to copy or duplicate. Hence, to survive and thrive, firms must be able to gain and effectively utilize knowledge. However, beyond accessing and leveraging this knowledge, another way organizations build sustainable competitive advantage is by creating new knowledge to solve problems (value-creating activities) (Von Krogh, 1998, Alavi and Leidner, 2001).

Although, organizations build sustainable competitive advantage by leveraging the knowledge within their processes, culture, routines, documents, and employees (Nelson and Winter 1982; Grant 1996a, 1996b; Spender 1996a, 1996b; Alavi and Leidner, 2001), they must be intentional about making it happen. This is because sometimes knowledge resides in silos within the organization, which makes moving it to other parts of the organization daunting (Goh, 2002).

Small and Medium scale Enterprises (SMEs) do not often have access to this relevant knowledge (Jarillo, 1989), hence they have to rely on external knowledge sources (Chen *et al.*, 2006) Loebbecke, et al, 2016), to survive, thrive and increase profit (Ritala, 2012). This is

especially made possible when SME managers interact and collaborate with each other (Nahapiet and Ghoshal, 1998; Assens, and Coléno, 2014).

However, inter-organizational knowledge transfer raises new challenges, such as firms having to deal with contradictory requirements (Hamel et al., 1989; Smith and Lewis, 2011; van Fenema and Loebbecke, 2014) (managing inter-organizational knowledge sharing). More so, this can cause the erosion of competitive advantage (Barney, 1991, 2001; Barney and Clark, 2007). Hence, to explore how social capital influences knowledge transfer between Nigerian SMEs, this literature review would be examining and justifying the development of the theoretical and conceptual components, which include knowledge, knowledge management, knowledge transfer and social capital.

2.1 Knowledge

Knowledge is a source of competitive advantage for firms in a dynamic business environment (Grant, 1996; Spender, 1996; Davenport and Laurence, 1998; Foss and Pedersen, 2002; Smith *et al.*, 2015; North and Kumta, 2018). It equips firms, such as SMEs, to be able to navigate the harsh realities of dynamic business terrains, which often lead to high mortality rate of SMEs, as about one-third of new SMEs do not survive the third year, and an alarming 60% do not survive the seventh year in business (Agarwal, 1997, Ihua, 2009).

Knowledge has been defined in various ways, from an abstract to multi-dimensional concepts, with different authors asserting unique perspectives of the concept, making it challenging to have a unanimous definition (Iliyanage *et al.*, 2009; Shultz, 2003). One of the earliest captured definitions was by Plato, who defined knowledge as “justified true belief”, implying that he perceives knowledge from a static and absolute paradigm; relatively inactive (Nonaka and Takeuchi, 1995, p. 58). However, this does not capture the dynamic nature of knowledge which was illustrated in Nonaka and Takeuchi’s (1995, p. 21) modified definition: “a dynamic human process of justifying personal belief toward the truth” at the organisational level. Although they made an attempt to extend our understanding of Plato’s definition of knowledge, they failed to clearly illustrate the implication of this modification. Additionally, critically

evaluating this definition reveals that to accept it, suggests that knowledge cannot be created (Ikujiro Nonaka *et al.*, 2000; Gourlay, 2006).

This perspective also formed the basis of Davenport and Laurence (1998), definition, defining thus: “knowledge is a fluid mix of framed experience, values, contextual information, and expert insights that provides a framework for evaluating and incorporating new experiences and information” (p.5). This definition captures important elements of knowledge. However, it only views knowledge from the tacit dimension of knowledge, which perceives knowledge as a valuable resource ingrained in the individual and which is often difficult to codify or copy (Delong and Fahey, 2000; Simon, 1991; Cross and Baird, 2000), thereby neglecting the fact that knowledge is also embedded in organisational processes, culture and procedures (Argote, 1999, Haleblan, 1999, Cross and Baird, 2000).

Berg (2013) attempted to define knowledge from the perspective of its significance by asserting that “knowledge is not merely a strategically significant resource – it is the essential condition that confers resources with strategic significance” (p. 160). However, his definition did not offer much insight into the content of knowledge itself. Moreover, Robert (2000) attempted to address the flaw in Berg’s definition by further breaking down the concept of knowledge, data and information. He asserts that data is “a series of observations, measurements, or facts”. Information means “data that have been arranged into a meaningful pattern”, while knowledge is “the application and productive use of information”, and it “involves an awareness or understanding gained through experience, familiarity or learning” (Robert 2000, p. 430).

Moreso, Grant and Baden-Fuller (1995, p. 18) assert that "knowledge comprises information, technology, knowhow, and skills." This knowledge includes "both explicit knowledge, which can be written down, and tacit knowledge, which cannot" (Grant 1996b, p. 377). Kogut and Zander (1992) corroborated Grant’s definition of knowledge by including both tacit "know-how" and information or "know what" in their definition of knowledge.

The challenge with these definitions above is that they all disagree on the critical composition of knowledge and its dimensions, but they do agree on the critical role people play in the knowledge process. This aligns with this research because its aim is to explore the role of social capital in the transfer of knowledge between managers of SMEs.

More so, there are different categorisations/taxonomies of knowledge (Connell *et al.*, 2003). These include classifications, such as individual and collective knowledge, component and architectural knowledge, and private and public knowledge (Connell *et al.*, 2003). In addition to these are situated and generic knowledge, and procedural and declarative knowledge (Hendriks, 2001).

Alexander and Judy (1988) perceive knowledge from a task-oriented dimension, thereby distinguishing it into three types. These include declarative knowledge, which describes fact-based information. The other is procedural knowledge, which describes the compilation of fact-based information into useful sections which incorporate domain specific strategies. Lastly, conditional knowledge, which describes comprehending where and how to access specific facts or utilise particular processes. This was also corroborated by other scholars (Bruce and Uzo, 1992; Kyriakopoulos, 2011; Lum *et al.*, 2012; Nieves *et al.*, 2014). However, the question to address here is, does the fact that a particular knowledge is packaged as fact-based knowledge imply that it would be effectively or accurately transferred? (Martignoni and Baumann, 2009).

Beyond examining these taxonomies of knowledge, one key way knowledge is relevant to firms is in its ability to support competitive advantage, which is often connected to a firm's ability to innovate (Somech, 2006). Research from a variety of fields, such as diversity of teams (Jehn, Northcraft, & Neale, 1999), innovation (Gilson, Mathieu, Shalley, & Ruddy, 2005), knowledge management (Massey, Montoya-Weiss, & O'Driscoll, 2002), and small groups decision making (Brodbeck, Kerschreiter, Mojzisch, & Schulz-Hardt, 2007; Lu, Yuan, & McLeod, 2012), have broadly held a number of assumptions. These include the following: there is a greater probability for an individual employee to generate fresh and innovative

ideas when he is able to access diverse knowledge and information by interacting with team members with dissimilar expertise (Hambrick, Cho, & Chen, 1996; Jehn et al., 1999; Polzer, Milton, & Swann, 2002; Gibson & Gibbs, 2006; Van Kleef, & De Dreu, 2007; Sosa, 2011). More so, knowledge transfer is a critical process, which facilitates the cross-fertilization among team members for the creation of knowledge generation and other creative works (Nonaka, 1994; Tiwana & McLean, 2005; Hargadon & Bechky, 2006; Srivastava, Bartol, & Locke, 2006; Paulus, 2008; Gong, Kim, Zhu, & Lee, 2013)

Although, different scholars capture the benefits of dissimilar expertise in work teams, employees may still find it challenging to understand teammates with dissimilar knowledge and expertise, which may hinder them from using this knowledge to generate fresh ideas (Carlile, 2004; Dahlin, Weingart, & Hinds, 2005; Tortoriello, Reagans, & McEvily, 2012). However, there are instances when knowledge transfer among teammates with dissimilar knowledge and expertise does not necessarily lead to the development of fresh ideas and paradigms (De Dreu, 2007; Homan et al., 2007; Majchrzak, More, & Faraj, 2012). Rather, it depends on whether the knowledge transferred is sufficiently elaborate for the knowledge recipient to completely comprehend and meaningfully interpret the sender's unfamiliar know-how (Boland, Tenkasi, and Te'eni, 1994; De Dreu 2007; Majchrzak et al., 2012). More so, research depicts that transferring codified, rather than elaborate, knowledge has shown to be more effective at stimulating creativity (Katz and Te'eni, 2007). In this case, transferring contextualized and over-elaborate knowledge may produce ineffective result (Katz and Te'eni, 2007), as it does little to facilitate comprehension, needs additional effort, and expends additional cognitive resources (Glynn, 1996; Simonton, 1999).

Below is Table 1 showing the taxonomy of knowledge. Exploring the concept of knowledge and knowledge taxonomies is relevant for this research because the theoretical developments in the knowledge management arena are influenced by the distinction among the different categories of knowledge.

Table 2. 1: Taxonomy of knowledge

Knowledge Dimensions		Definitions	Examples	References
Tacit vs. Explicit	Tacit	Knowledge is embedded in experience, actions, and is meaningful within a particular context	Best way of baking a delicious muffin	(Alavi & Leidner, 2001; Nonaka, 1994)
	Explicit	Captured, codified knowledge	Optional manual	(Alavi & Leidner, 2001; Cook & Brown, 1999; Nonaka, 1994)
Individual vs. Collective	Individual	Created by and embedded in the individual	Market insights gained from two years' selling experience	Alavi & Leidner, 2001; Cook & Brown, 1999; Nonaka, 1994)
	Collective	Created by and embedded in the collective action of the team	Norms of organization	Alavi & Leidner, 2001; Cook & Brown, 1999; Nonaka, 1994)
Dynamic vs. Relative static	Dynamic	Knowledge is defined as dynamic; as active and changing. It flows, clumps, and accrues conspicuously within specific people, organizations, and locations	Microelectronic technology	(Nissen, 2005)
	Static	Static is defined as one dimensional knowledge construct. A stable and inactive knowledge	Knowledge in a textbook	(Kukich, 1983)

Simplicity vs. Complexity	Complex	It evokes more causal uncertainties, and, therefore, the amount of factual information required to completely and accurately convey such types of knowledge is greater than would be the case with simple types of knowledge.	Knowledge of how to fix a computer problem	(Garud and Nayyar, 1994)
	Simple	It can be captured with little information and is, therefore, relatively easy to transfer	Knowledge of how to switch a personal computer on and off	(Garud and Nayyar, 1994)
External vs. Internal	External	Knowledge comes from external sources. External sources are less likely to transfer and improve the performance of a focal unit than is knowledge coming from internal sources	Knowledge comes from external expert	(Menon & Pfeffer, 2003)
	Internal	Knowledge uniquely possessed by a member is less likely to be mentioned, repeated, and attended to in group discussion, than commonly held knowledge.	Knowledge comes from internal employee	(Menon & Pfeffer, 2003)

Public vs. Private	Public	Knowledge available in the public domain through standard reports tends to be "hard" information.	Knowledge in a recipe book	(Uzzi & Lancaster, 2003)
	Private	Private knowledge, which is not equally available to all or guaranteed by third parties, is "soft" information about unpublished aspects of a firm.	Knowledge comes from personal cooking experience	(Uzzi & Lancaster, 2003)

Combined from (Garud and Nayyar, 1994) Reif and Allen; 1992)

In this context, elaborated knowledge and codified knowledge tally to the two distinct types of knowledge highlighted by Nonaka (1994), tacit knowledge and explicit knowledge, respectively.

Although, the knowledge management literature as highlighted in table 2.1 above, identified myriads of taxonomies of knowledge, (Garud and Nayyar, 1994); however, Polanyi (1966), the dichotomy of tacit versus explicit knowledge has received most attention among scholars. Hence, considering that this study aims to explore the influence of social capital on knowledge transfer, it would be adopting Nonaka's division of knowledge into explicit and tacit knowledge because they focus on knowledge accessibility (Nonaka and Takeuchi, 1995).

Unlike MNCs, SME managers do not have the privilege of experimenting with unproven knowledge. They have to explore ways to manage their limited resources. More so, knowledge is valued based on its usefulness and contribution to the bottomline or competitive advantage. Hence, rather than debating on the type/category of knowledge, SME managers are likely to focus on the question of usefulness and transferability (accessibility of knowledge). In other words, they focus on how relevant and rare knowledge (Tacit knowledge), which can form the basis of their competitive advantage (Argote and Ingram, 2000; Grant, 2001), and which is sometimes embedded or ingrained in the individual (Smith, 2001), can be accessed and transferred. This access and transfer sometimes happens during social interactions between

individuals, teams and SMEs managers, as one of the benefits of social capital (Nonaka, 1994; Nonaka and Takeuchi, 1995; Tsai and Ghoshal, 1998; Chiu *et al.*, 2006).

Moreover, because SME managers occupy key positions within the firms (Bridge and O'Neill, 2012) they are often responsible for important activities, such as business planning and day-to-day decision making (Culkin and Smith, 2000). This raises the probability of the manager not having adequate time to carry out important business tasks, such as knowledge transfer (Argote and Ingram, 2000; Argote *et al.*, 2000). This implies that knowledge (tacit) often gets stored in the manager's mind or in that of key employees (Grant, 1996). More so, considering that this research is examining how social capital influences knowledge transfer within a particular context (Nigeria and Commission), adopting Polanyi's perspective of knowledge is suitable. This perspective asserts that knowledge is embedded in the senses, tactile experiences, intuition, undocumented mental models, processes, values, emotions and employees' minds (Nonaka *et al.* 1996, 2000a, b).

2.1.1 Explicit knowledge

The term explicit knowledge was first used by Polanyi (1966) to describe formal knowledge that has been systematised and organised into a transmittable format. Hence, it can be obtained in the form of books, guidelines, mathematical formulas, chain of emails, manuals, or embedded into processes and machines (Choo, 1996; De Long and Fahey, 2000; Ikujiro Nonaka *et al.*, 2000; Howells, 2002). This dimension of knowledge, which can be described as decontextualised knowledge (Gourlay, 2006), can also be easily transferred, unrestricted by context, expressed in formal language, in addition to organisational manuals, grammatical statements, technical drawings, corporate standards and procedures, is described as explicit knowledge (Nonaka, 1994; Welch and Welch, 2008).

However, this type of knowledge has a universal characteristics which means that it can be adopted across a number of various contexts (Nonaka and Krogh, 2003; Nieves and Haller, 2014). The codified and easily transmittable nature of this dimension of knowledge, increases

the probability of it getting lost during transfer, and is often much easier to transfer between individuals and groups within the SME and even to the competition, thereby eroding SME competitive advantage (Nonaka, 1994; Barney, 1991, 2001).

Moreover, it enables SMEs to recognise, analyse and take advantage of key opportunities in their business surroundings (Nieves *et al.*, 2014). Although firms attempt to improve their performance by copying best practices from high performing counterparts, the complexity of some of these best practice ideas poses a barrier to their effective imitation (Csaszar and Siggelkow, 2010).

Furthermore, another drawback of this type of knowledge is that SMEs have to invest a huge amount of resources in order to constantly upgrade staff competencies, as it is difficult to function within an organisation without explicit knowledge (Harzing, 2000). Hence, management support for the acquisition, documentation, transmitting and transferring of knowledge is very critical (Smith, 2001; Marcus *et al.*, 2014).

2.1.2 Tacit knowledge

Tacit knowledge describes knowledge which is deeply ingrained in an individual, usually as a result of being engaged in a particular task over a period of time. It is an intangible know-how obtained through informal absorption of learned behaviour and processes (Howell, 2002). Codifying and transmitting this knowledge is challenging and is only perceived through various activities and dedication to specific tasks (Choo, 1996, Nonaka *et al* 2000, Delong and Fahey, 2000, Howells 2002). Moreover, it can only be obtained through social interaction, experience and emulation (Kim 1996; Nonaka *et al.* 1996). It often involves the use of metaphors and an elaborate socialisation process (Nonaka and Takeuchi, 1996).

It represents the core of the resource-based view theory of the firm, as explained by Barney (1991; 2001), because the competition cannot easily codify or replicate it. Therefore, an SME's sustainable competitive advantage can easily be extended if its performance is based on its tacit knowledge (Barney, 1991; 2001, Berman, 2002). As a matter of fact, Wagner and

Sternberg (1987) asserts that a critical evidence of managerial success is a firm's ability to access, acquire and effectively manage tacit knowledge. This explains why organisations are constantly exploring ways for circulating this dimension of knowledge within different departments and branches to ensure access to the unique advantages it provides (Argote and Ingram, 2000).

Moreover, this dimension of knowledge, which Polanyi (1966) tagged as "indwells", is often challenging to access through consciousness because it is embedded in norms, values, experience, etc. (Anderson, 1983; Sun, 1997; Ambrosini and Bowman, 2001). Hence, it is a daunting task attempting to transfer both to the external competition and internal employees, groups and branches (Szulanski, 1996; Sun and Scott, 2005), a situation that is attributed to its stickiness, and to the fact that it is often ingrained in individuals (Szulanski, 1996; Nonaka *et al.* 1996; Csaszar and Siggelkow, 2010).

This appears to be an advantage when SMEs intend to retain their competitive edge within the firm (Barney, 1991; 2001). However, when SMEs fail or experience staff turnover, some of this knowledge is often not captured or utilised by the SME business community, considering the strategic role SMEs play in the economy (Nieves *et al.*, 2014). Research also points out that because of the central role managers of SMEs play, coupled with common challenges, such as inadequate key resources, e.g. human resources, there is often a tendency that they may fail to transfer their knowledge to their organisation (Durst and Edvardsson, 2012).

In addition to these, when SMEs lose employees as a result of retirement, redundancy, resignation, etc., they run the risk of losing very valuable knowledge, which often contributes to their competitive advantage (Barney, 1991; Parise *et al.*, 2006; Neives, 2014; CIPD, 2014). Access to tacit knowledge within SMEs in order to solve specific challenges is often through social networks (Imai, 1991), adopting informal structure (Goh, 2002). This is because the 'individual' dimension of this knowledge is embedded in individuals, while the 'collective' dimension is often embedded in the organisation, hence difficult to copy. This method of

knowledge transfer, contrary to some research advocating external markets, is relatively more efficient because of the specialised nature and non-tradable form of this type of knowledge (Gupta and Govindarajan, 2000). The next section examines the characteristics of knowledge. Polanyi's (1962) asserted his position "...that complete objectivity as usually attributed to the exact sciences is a delusion and is in fact a false ideal" (p. 18) He opined that knowledge has subjective elements (critical aspects of this knowledge), which often stem from the contributions made by the individual knowing what is being known.

According to Polanyi (1966), "we can know more than we can tell" (p. 4). He asserts that knowledge that can be expressed in numbers and words is only a minute fraction of what can be labelled knowledge. This initiated the categorization of knowledge into explicit and tacit dimensions, which was expanded into a more practical dimension by Johnson-Laird (1983). He asserts that tacit knowledge is a blend of cognitive and technical elements of knowledge. The cognitive elements characterises the process through which individuals form their own mental paradigms (beliefs, schemata, viewpoints etc) of how the world works by developing and embracing analogies in their mental faculties (Johnson-Laird, 1983). Hence, making it easier to make sense of the world. On the other hand, he further asserts that the technical element refers to pragmatic know-how, competences, and capabilities, which apply to particular contexts. This makes it difficult to transfer the knowledge from one SME to another, considering the barrier often raised by the contextual nature of the knowledge and the absorptive capacity of the receiving SME manager (Nonaka, 1991; Zahra and George, 2002). Both explicit and tacit knowledge are of critical importance to a firm; however, research depicts that tacit knowledge has potentially more strategic value (Pérez-Luño et al., 2011), because it is challenging to copy and context-specific (Zack, 1999).

These dimensions of knowledge (tacit and explicit), though different, can be theoretically distinguished along a continuum, a process that can be grasped through **knowledge conversion** because it sheds lights on the interaction that occurs between tacit and explicit knowledge.

Conversion of knowledge

"Knowledge conversion" as a concept, clarifies the process involved in how tacit and explicit knowledge interact along a continuum. In other words, explicit knowledge can be converted to tacit knowledge and vice versa, they are "mutually complementary" because they interact with each other in dynamic ways within creative activities engaged in by individuals and teams (Nonaka 1994; Nonaka et al. 1996a; Alavi and Leidner 2001).

This process, which was elucidated in Nonaka and Takeuchi's (1995) popular organisational knowledge creation model (See Figure 2.0), was structured into four different modes, which include socialisation, externalisation, internalisation and combination. This process begins from the socialization, and continues clockwise through the externalisation, combination and internalisation (Nonaka & von Krogh 2009). Viewing this model as a continuum (continuous process of learning), reveals it as a clockwise spiral because the depth of understanding immensely improves as one learns around the cycle (Rumizen, 1998; Martensson 2000).

This implies that the creation of knowledge is based on the building of tacit and explicit knowledge and this often occurs during the interchange between two dimensions of knowledge creation (Nonaka et al. 1994). A cycle is often influenced by different adjustments between modes of knowledge conversion. These adjustments are often activated between different modes of knowledge conversion. Firstly, the socialization mode for instance, often starts with the development of a team or field interaction (Nonaka et al. 1994), although this is often not a guarantee that knowledge transfer will occur, considering specific barriers, such as knowledge tacitness (Szulanski 2000a), and absorptive capacity of members (Cohen & Levinthal 1994) of the team.

Secondly, "Externalisation is a process of articulating tacit knowledge into explicit concepts" (Nonaka and Takeuchi, 1995, p.64). This mode is often influenced by a series of meaningful consecutive "dialogue". The use of metaphors in these dialogues can be deployed to enhance

team members' articulation of their perspectives, thereby increasing the tendency for revealing hidden tacit knowledge that would have been challenging to communicate (Nonaka et al. 1994).

Thirdly, internationalization mode, as the reverse process of externalization, describes the process of converting explicit knowledge into tacit knowledge; it is similar to the concept of "learning" gained by taking action (Nonaka et al. 1994). This process has its benefits, particularly because its codified form makes it relatively easier to share and transfer at low cost (Nonaka et al. 1994).

Finally, the last conversion mode; combination, is described as the process of generating explicit knowledge from explicit knowledge. However, the challenge SMEs may experience is knowledge leakage, which often occurs during the process of organizing, adding and classifying of explicit knowledge, in order to generate new ones (Nonaka et al. 1994). This sheds light on why some firms often retain their knowledge in tacit form in order to minimize the probability of knowledge leaking to the competition (Reagan & Mcevely 2003). However, beyond knowledge conversion, SMEs must explore knowledge transfer opportunities considering its limited resources (Chollet et al. 2014) and externally available knowledge (Chen *et al.*, 2006).

Another, critical evaluation of knowledge conversion by (Nonaka *et al.*, 1994) reveals that "if we accept Polanyi's view of tacit (implicit) knowledge as being inexpressible, it cannot be converted into explicit knowledge because it can never be externalized and written down in an explicit form", that is cannot not be copied, (Kostova, 2002).

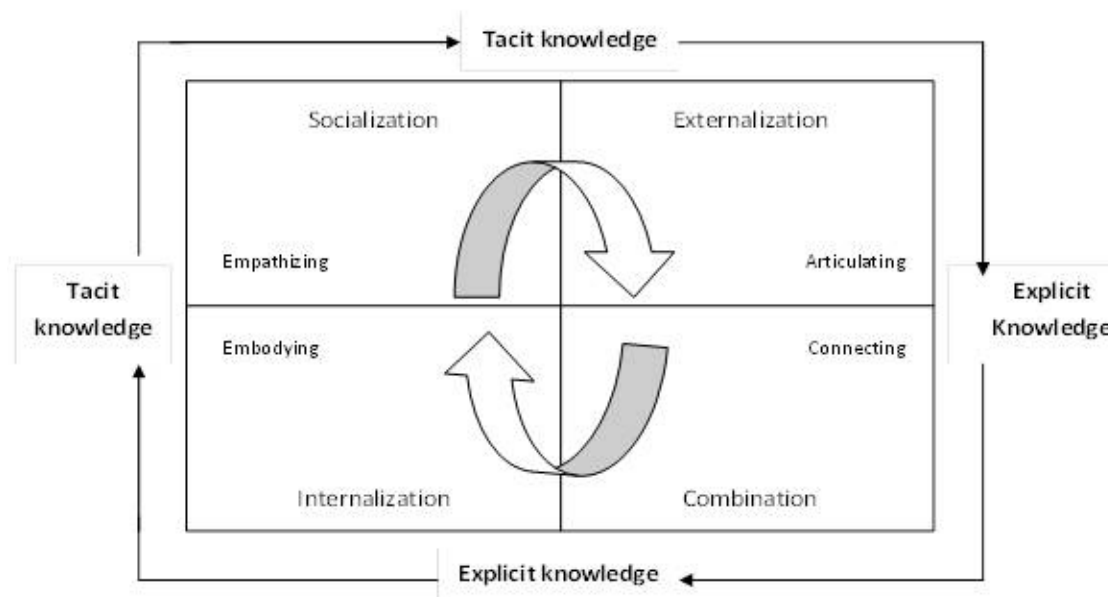


Figure 2.0 SECI Knowledge Creation Model (Nonaka and Takeuchi, 1995)

However, beyond converting this knowledge, SME managers must also focus on effective ways for exploiting and transferring knowledge-based resources that already exist within it (Spender and Grant, 1996; Davenport and Prusak, 1998; Damodaran and Olphert, 2000; Alavi and Leidner, 2001; Bider, 2014).

This is often challenging, considering the sticky nature of the knowledge (Szulanski, 1996), coupled with the fact that SMEs often grapple with peculiar issues, such as shortage of key expertise, inadequate market power, with market trends mostly being influenced by partners or competitors (Deakins, 1999; Duan *et al.*, 2001). Thus, external knowledge, which often exists within its business surroundings, is very critical to SME survival (Daft *et al.*, 1988; Sparrow, 2001; Chen *et al.*, 2006). This knowledge represents the intellectual capital (Nahapiet and Ghoshal, 1998) of SMEs, a critical source of their competitive advantage (Argote and Ingram, 2000; North and Kumta, 2018). This is why intellectual capital is pivotal to formulating organisational strategy, identity and profitability (Grant, 1996). Hence, focusing on identifying and developing intellectual capital is critical for SMEs (Petergraf, 1993; Prahalad and Hamel, 1990; Teece *et al.*, 1997).

2.1.3 Intellectual capital

According to Nahapiet and Ghoshal (1998), “intellectual capital refers to the knowledge and knowing capability of a ‘social collectivity’, such as an organisation, intellectual community, or professional practice”. It embodies a valuable asset and an ability to act based on knowledge and the process of knowing (Grant, 1996; Nahapiet and Ghoshal, 1998; Marr et al., 2003). In fact, the advancement of intellectual property is directly influenced by the social interactions and the social capital in which they are embedded. It is an overall scope of the knowledge which can be accessed through social capital (Reiche *et al.*, 2009). In contrast to Nahapiet and Ghoshal (1998) view of the collective viewpoint of intellectual capital. Reiche *et al.* (2009) broadened the purview of intellectual capital to make room for the individual aspect of intellectual capital, which they portrayed as the individual’s complete accumulation of knowledge.

However, managers of SMEs are often not prompt in transferring their intellectual capital to others because it is a critical source of their competitive advantage (Barney, 1991; Argote and Ingram, 2000; Barney, 2001). Hence, for this to occur, managers must build trust and shared beliefs, as core aspects of social capital (Bourdieu, 1986; Coleman, 1988; Putnam, 2000; Zhou, Siu, and Wang, 2010), as this determines the type of knowledge that would be transferred (Granovetter, 1982; Putnam, 2000; Zhao and Anand, 2013). Tacit knowledge is often transferred between managers with strong ties, while explicit knowledge is often transferred between managers with weak ties (Granovetter, 1982; Putnam, 2000). This is similar to Nahapiet and Ghoshal (1998) concept of cohesive and sparse networks of social capital.

In other words, to survive, thrive and create sustainable competitive advantage, SME managers must prioritize **Knowledge Management**. However, this depends on the degree to which SME managers are able to mobilize the knowledge assets at their disposal in order to convert them into value-creating activities (Von Krogh, 1998; Alavi and Leidner, 2001).

Knowledge Management

The dynamic and fast pace world of business intensified competition, thereby pressuring companies to explore new ways to consolidate and merge their knowledge assets as a sustainable and long-term value creating strategy (Gold *et al.*, 2001). The drive for building competitive advantage has led many firms towards establishing extensive knowledge management initiatives. However, many of these initiatives fall below expectations, as they are often mere information projects, not knowledge management projects.

Knowledge management (KM) denotes identifying and leveraging the combined knowledge embedded in a firm in order to help the organization compete (Von Krogh, 1998; Alegre, Sengupta, and Lapiedra, 2013). It is expected to enhance innovativeness and responsiveness (Hackbarth 1998) and can also help employees gain access to relevant knowledge in their fields (Becerra-Fernandez, Leidner, and Dorothy 2014). More so, it facilitates the entrenchment of knowledge by operationalizing practices in organizations, in order to store and transfer knowledge (Alavi and Leidner, 2001).

However, when conceptualizing knowledge management, it is important to consider the fact that current KM practices may be inadequate for the future (Alegre, Sengupta, and Lapiedra, 2013). Hence, firms must ensure that they consistently upgrade their KM practices as new knowledge, not just mere information, is critical in organizational transformation (Henderson and Cockburn, 1994; Zahra and George, 2002).

The transition from information management to knowledge management, though very important, is very daunting for organizations, as this process requires structures, which facilitates the recognition, creation, transformation and distribution of knowledge. Hence, when knowledge management in an organization does not produce innovative products and services, it has the tendency to cast doubts in the whole process (Gold *et al.*, 2001). This is especially because in the knowledge economy, knowledge is a strategic competitive tool

(Bedford, 2013). (Barney *et al.*, 2011). Hence, to effectively compete, organizations must take advantage of their existing knowledge while creating new ones, in order to be strategically positioned in the marketplace (Gold *et al.*, 2001). This knowledge creation process, which is enhanced by combination, exchange and often facilitated by social capital must also be dynamic (Alegre, Sengupta, and Lapiedra, 2013). Social capital is "the sum of actual and potential resources embedded within, available through, and derived from the network of relationships possessed by a social unit" (Nahapiet and Ghoshal, 1998, p. 243). This knowledge is sometimes transferred to other units within the organization (Szulanski, 2006) and sometimes outside the organization (Chen, *et al.*, 2006) as knowledge transfer is a key part of knowledge management (Filius *et al.* 2000).

2.2.0 Knowledge Transfer: Overview

Knowledge transfer is a key aspect of knowledge management (Davenport and Prusak, 1998; Beijerse, 2000; Nissen *et al.*, 2000); hence, to critically evaluate it, it is important to examine knowledge management as well. Knowledge management is the "management of information within an organisation by steering the strategy, structure, culture and systems and the capacities and attitudes of people, with regard to their knowledge (p. 43) (Beijerse, 2000). The traditional perspective, held by authors, such as Lim and Klobas (Kale and Perlmutter), Egbu and Botterill (2002) and Desouza and Awazu (2006), asserts that SMEs rarely utilise technologies like intranets or database management systems in the knowledge management process. This is due to inadequate resources (Yew Wong and Aspinwall, 2004) and the absence of education and training (Lee *et al.*, 2005), which implies that short-term approaches are likely to be adopted.

However, studies dispute this perspective: for instance, Fink and Ploder (2011) conducted a study of Austrian and Swiss SMEs. They discovered that many SMEs were ready to invest in knowledge management activities. This was further corroborated by the study of 173 Malaysian SMEs, which demonstrated preparedness to also invest in knowledge management (Tan, 2011). Further, Reed *et al.* (2011) identified that operating an information system "can be a significant asset to a small to medium size business" (p. 292). An important section of

knowledge management is knowledge transfer, particularly in this information era in which firms must constantly learn and innovate to stay competitive (Argote and Ingram, 2000; Chen and Tseng, 2011; Kasemsap, K., 2016). Additionally, many of the knowledge management activities are geared towards improving knowledge transfer (Hansen *et al.*, 1999). Knowledge transfer facilitates critical and creative thinking in individuals within organizations (Lindsey, 2006) such that they would be able to create useful and relevant knowledge for the organization. Knowledge management stimulates the learning process, which in turns increases innovative capability through new knowledge creation (Tobing, 2007). This explains why modern organizations prioritize knowledge management, considering that knowledge is perceived as a potential and strategic resource (Alavi and Leidner, 2001).

However, knowledge transfer obstructs the specialisation needed for an effective knowledge acquisition (Demsetz, 1991). Also, “any system of production that requires each individual to learn what every other individual knows is inherently inefficient” (Grant, 2001, p. 147).

Furthermore, a key source of competitive advantage for firms is their ability to create knowledge internally and transfer it (Argote and Ingram, 2000; Minbaeva *et al.*, 2003; Harari, Jain, and Joseph, 2014; Argote, and Fahrenkopf, 2016). This can happen within firms and their divisions, between groups and between different units (Kostova, 1999; Minbaeva *et al.*, 2003; Björkman *et al.*, 2004; Argote, and Fahrenkopf, 2016). In other words, divisions and branches are not autonomous with regard to accessing all the vital and tactical knowledge needed for them to remain competitive, identify and secure opportunities in emerging markets (Zander and Kogut, 1995; Dobrai *et al.*, 2012; George *et al.*, 2016).

2.2.1 Definition

Knowledge transfer has been defined in different ways by authors: for instance, Szulanski (1996) defined it as a process of dyadic exchange of relevant knowledge which occurs between the sender and the receiver. Other scholars defined knowledge transfer from a process perspective, rather than as a single event: Wang, Tong and Koh (2004), for instance, defined knowledge transfer as the process of systematically organizing and exchanging

information and skills between entities. This was corroborated by Von Krogh and Roos (1996) when they defined it as the transmission of knowledge between key players in an exchange relationship. Similarly, Kalling (2003) defined it as the process through which actors within an organisation learn from one another, while Rogers (1983) defined it as an attempt by an entity to copy a specific type of knowledge from another entity. Further, Wang & Noe, (2010) defined it as ‘the fundamental means through which employees can contribute to knowledge application, innovation, and ultimately, the competitive advantage of the organization’ (p. 115).

For the purpose of this research, Argote and Ingram’s (1999) definition of knowledge transfer, which states that it is a process through which the experience of a division, department, regional enterprise, etc. impacts another, is adopted. The transfer of knowledge among firms often delivers unique mutual learning experiences, including cooperation among various units, which often initiates the creation of new knowledge, while also influencing firms’ innovative abilities (Kogut and Zander, 1992; Tsai and Ghoshal, 1998; Gao *et al.* 2016). Research also highlights that knowledge transfer facilitates a firm’s ‘organizational memory’ by organizing and making accessible important knowledge, wherever and whenever it is required (Cegarra-Navarro and Sánchez-Polo, 2011).

According to Argote (1999, p. 17), this is a “powerful mechanism for improving an organisation’s productivity and increasing its survival prospects”. In fact, this was vividly highlighted by a study which reports that Fortune 500 multinational companies records an annual loss of about 31.5 billion US dollars for neglecting knowledge transfer by employees (Babcock, 2004). However, knowledge transfer is expensive and hinders the essential specialization of members of the firm (Demsetz, 1991). It is also ‘sticky’ (Szulanski, 2000) and challenging, requiring continued close interactions (Collins, 1974; Bruce and Uzo, 1992). This highlights Grant (2001) assertion that “any system of production that requires each individual to learn what every other individual knows is inherently inefficient” (p. 147). Moreover, knowledge is often embedded within the specific practices in which it is applied (Brown and

Duguid, 1991). Hence, making it difficult to transfer knowledge specifically across the confines of practices and communities (Brown and Duguid, 1991; Carlile, 2002).

However, this can be mitigated when firms are able to structure and organize knowledge in a manner that enhances their accessibility and transferability, which eventually reduces complexities and the potential cost of knowledge transfer (Bruce and Uzo, 1992; Monavvarian *et al.*, 2013; Van Den Berg, 2013). However, this raises another challenge, of knowledge 'leaking' to the competition (Van Den Berg, 2013).

According to Hill and Matusik (1998), for knowledge transfer to be effective, firms must ensure the process of knowledge accumulation is effectively managed. Riege's (2007) view is slightly different: he asserts that for knowledge transfer to be effective, it must evolve beyond the movement of valuable knowledge from one SME to the other, into playing a role in collaborative problem solving between individuals and teams supported by networks and mechanisms. Additionally, the inability of knowledge receivers to identify the value of fresh information, integrate it and deploy it to commercial use, is one of the most highlighted obstacles to knowledge transfer (Cohen and Levinthal, 1990).

A number of organizational models have addressed the process of knowledge transfer in organizations. Prominent among them are Szulanski (1996), Gilbert and Cordey-Hayes (1996) and Chen *et al* (2006). The common features of these knowledge transfer processes is that they all perceive knowledge transfer as a process, not a one-off event. This process depends on the interaction of a knowledge source and knowledge recipient and finally, the willingness to transfer knowledge. These knowledge transfer processes were critically reviewed in the section below.

2.2.2 Knowledge transfer process

Szulanski's knowledge transfer process

Szulanski's framework was developed to highlight the process of knowledge transfer within large firms (Szulanski, 1996; 2000). This highlights the fact that a key source of knowledge

transfer is the interaction between individuals (knowledge source and recipient) (Nahapiet and Ghoshal, 1998; Khan, 1999; Narteh, 2008; Nonaka and Krogh, 2009).

Szulanski 2000, deployed his knowledge transfer model in analysing the internal stickiness that exists during the process of knowledge transfer, particularly the transfer of best practices. According to Szulanski (1996), internal stickiness describes the daunting task of transferring knowledge within a firm. This is often the case when the knowledge being transferred is tacit (Gertler, 2003), as tacit knowledge is often experiential, difficult to articulate, contextual and spatially sticky (Gertler, 2003; Nonaka and Von Krogh, 2009). However, contrary to Szulanski's perspective on 'tacitness' as a key cause of stickiness, Hippel (1994) asserts that there is greater probability for knowledge users to innovate than producers would, if the knowledge (or information) they need is 'sticky' – that is, costly to transfer.

Szulanski (1996) framework highlights four process stages involved in knowledge transfer, which include ***initiation, implementation, ramp-up and integration***.

However, none of the stages specifically addresses the unique situation of SMEs within the Nigerian context, as they do not address contextual factors such as culture. This is because research shows culture's impact on knowledge transfer, particularly within collaborative firms, as a result of the contextual differences existing between partners (Gupta and Govindarajan, 2000; Hutchings and Michailova, 2004; Voelpel and Han, 2005). This is often due to the fact that corporate and ethnic backgrounds impact on people's paradigm of what should count as knowledge when dealing with collaborative relationships (Taylor and Osland, 2003).

Additionally, amongst the four stages, the level of interactions and social interaction embedded in them differs. For instance, at the ***initiation stage*** social interaction levels often score high, as at this phase, knowledge gaps are being recognized and filled until a certain level of satisfaction has been reached, when the level of regular interactions progressively drops (Szulanski, 1996). At this stage, the cooperation and collaboration of the knowledge source is critically required because it is at this stage that managers find knowledge gaps and decide to either pursue them or not (Szulanski, 1996).

However, beyond filling an internal knowledge gap with an external knowledge, Szulanski (1996) knowledge transfer framework did not highlight the fact that a manager must also identify within their social network the position of relevant knowledge (Nahapiet and Ghoshal, 1998). For instance, within the context of a high power distance culture like Nigeria (Hofstede and Hofstede, 2001), the knowledge an SME manager can assess is determined by their position in the network (Nahapiet and Ghoshal, 1998; Filieri and Algezau, 2014).

Although Szulanski's framework did not clearly highlight the role of social interaction at many of the stages, a critical evaluation reveals elements of social interaction at each stage. For instance, at the **implementation stage** when a knowledge recipient begins to utilize the acquired knowledge for the first time, they are likely to encounter unanticipated challenges which would require interaction (Nahapiet and Ghoshal, 1998) and support of the knowledge source to resolve (Tyre and Orlikowski, 1994; Szulanski, 2000).

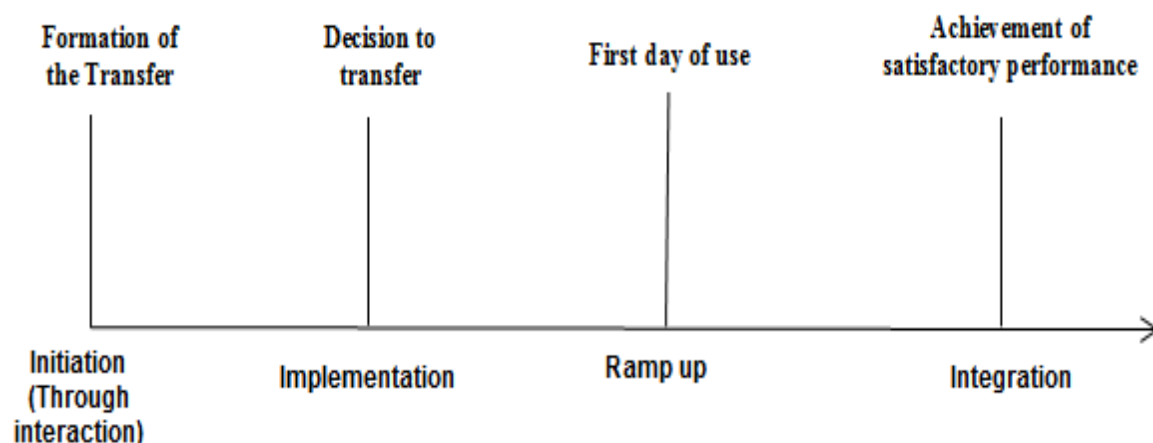


Figure 2.1: Szulanski's knowledge transfer framework 1996

Further, Szulanski (1996) framework highlights four factors that impact on the difficulty of knowledge transfer. They include knowledge transfer characteristics (causal ambiguity and unprovenness), features of the source of knowledge (lack of motivation and perceived unreliability), the knowledge recipient characteristics (lack of motivation, lack of absorptive capacity and lack of retentive capacity), and characteristics of the context (barren organisational context and arduous relationship). A few of these knowledge transfer challenges are related to social capital. For instance, lack of absorptive capacity (Cohen and

Levinthal, 1990) can be mitigated if the SME managers belong to a network where they share cognitive social capital (Nahapiet and Ghoshal, 1998; Kostova 1999). Additionally, knowledge source and context features, such as lack of motivation and arduous relationship, can be mitigated between SME managers who share mutual trust, as people are more motivated to share trade secrets when mutual trust exists (Granovetter, 1973; Granovetter, 1982; Nonaka and Krogh, 2009).

SMEs are different from MNCs, based on their configurations, challenges, operations and resources, as they are not merely scaled-down versions of large firms (Andrade *et al.*, 2012; Ojasalo and Ojasalo, 2015). However, the key stages of Szulanski's knowledge transfer process, such as the ***initiation stage***, ***implementation stage*** and ***ramp-up stage*** highlighted in Figure above, are relevant to this research because they highlight how social interaction influences knowledge transfer (Nahapiet et al, 1998, Iskander and Lowe, 2011; Wang, 2015). However, this is largely different for SME managers, particularly when they are knowledge recipients, as they have to solicit for knowledge, as SME managers (knowledge sources) are not obligated to transfer knowledge.

However, what the knowledge source is willing to share with the knowledge recipient is determined by the tie they share (Granovetter, 1973; Granovetter, 1982; Nonaka and Krogh, 2009). This is particularly the case where there is no connectivity between the networks' social actors (source and recipient) (Hunter and Lean, 2014).

The implementation stage is where the decision to transfer occurs, hence the need for the development of transfer-specific relationships (Szulanski, 2000). However, the knowledge recipient's absorptive capacity can negatively impact the knowledge transfer process, potentially limiting what the knowledge recipient can grasp (Wesley *et al.*, 1994).

At the ramp-up stage, SME managers are saddled with the responsibility of troubleshooting potential issues arising from the ineffective utilization of new knowledge (Baloff, 1970; Adler, 1990; Galbraith, 1990). Hence, considering that this knowledge is often from external sources

(Chen *et al.*, 2006; Capaldo, 2007; Carey *et al.*, 2011), it raises the necessity for interaction between the knowledge source and knowledge recipient (Nahapiet and Ghoshal, 1998; Cambra-Fierro *et al.*, 2011).

Gilbert and Cordey-Hayes' knowledge transfer process

Gilbert and Cordey-Hayes' knowledge transfer process aimed at tracking firms' capability to accomplish knowledge transfer by examining the various processes of the firm that might encourage learning. It identified four stages which follow the processes of knowledge as it may be transferred within a firm to lead to the development of a set of routines which are reflected in the behaviour and practices of the members of the organisation and which become part of the core routines, so that assimilation, or learning, occurs. These are: acquisition, communication, application and assimilation (Gilbert and Cordey-Hayes, 1996).

It is an offshoot of a critical analysis and synthesis of specific aspects of organisational learning literature. It holds the position that a 21st century technology change model must reflect within it the adoption of a knowledge transfer process throughout the firm (Gilbert and Cordey-Hayes, 1996).

Moreover, it adopted a learning organisation perspective on the basis of the fact that organisations open to learning are often better positioned to adapt, develop and change (De Geus, 1988; Baldwin *et al.*, 1997; Armstrong and Foley, 2003). This enables them to effectively manage both internal and external demands of knowledge in order to sustain their competitive advantage, a concept described by Bessant *et al.* (1992) as a learning organisation paradigm.

However, assuming that knowledge transfer implies organisational learning is often not the case (Nonaka and Takeuchi, 1995; Beeby and Booth, 2000), because SME managers are often not keen to share knowledge with staff members for fear of losing them to the competition (Riege, 2005). In addition to the fact that SME managers are often reluctant to sharing knowledge, it is important to highlight that knowledge transfer within a firm is often sticky, making it challenging to transfer knowledge to other SMEs (Szulanski, 1996). Also, this

knowledge must be transferred through a communication channel supported by the firm's processes for transferring the acquired knowledge to the firm, as well as for storing and promptly accessing that which is learned (Beeby and Booth, 2000).

This is particularly the case within a high-context culture, such as Nigeria, where knowledge is often communicated in implicit ways relying heavily on contexts (Hall and Hall, 1990). This was captured by Polanyi (1966) when he described tacit knowledge as “in dwells”, implying that it is the type of knowledge that many managers may not be aware they possess in the first place. Hence, the question of transfer and learning does not suffice.

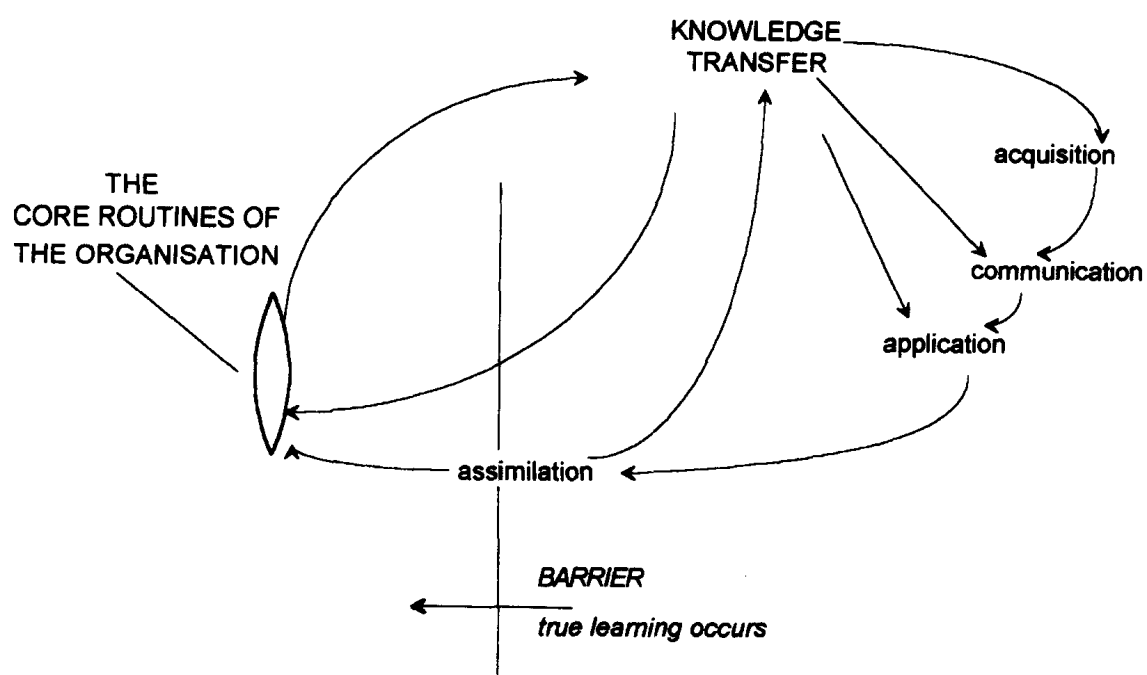


Figure 2.2: Gilbert and Cordey-Hayes' 1996 knowledge transfer framework

Gilbert and Cordey-Hayes (1996) framework (figure 2.2) was designed to highlight the process of knowledge transfer within the context of a single organisation. Hence, the first step captured in the process was that of acquisition, which emphasized how the organisation learns from its past, through implementation, hiring individuals who possess such knowledge or through the process of internal scanning to identify who may possess the knowledge within the organisation. In other words, the framework is based on congenital learning – this is a learning that is extracted from previous knowledge (Huber, 1991). This is slightly different from the context of this research, which is exploring the impact of social capital on the transfer of knowledge, hence not holistically suitable.

However, there are some key areas of similarities and relevance to the conceptual framework developed by Gilbert and Cordey-Hayes (1996) as knowledge acquisition and communication. For instance, knowledge acquisition precedes knowledge transfer, but for knowledge acquisition to occur, SMEs must be aware of the availability of the knowledge and where to find it, which was absent in Gilbert and Cordey-Hayes's (1996) framework. Additionally, considering the fact that Nigeria's culture is high-context culture, "a culture where a high amount of programmed information is used to provide context; therefore, more time is required to programme and to abstract meaning from the given set of information" (Korac-Kakabadse *et al.*, 2001, p. 6), managers of SMEs communicate between themselves to transfer knowledge (Gilbert and Cordey-Hayes, 1996; Nahapiet and Ghoshal, 1998).

Chen *et al.*'s knowledge transfer process

Chen *et al.*'s framework focused on how knowledge transfer takes place within SMEs.

Identification: According to Chen *et al.* (2006), at this stage, the knowledge-receiving firm identifies a particular knowledge gap within its system source to fill. However, beyond filling an internal knowledge gap with an external knowledge, Chen *et al.* (2006) did not highlight the fact that an SME manager must also share common intellectual background and shared beliefs, interpretations, perspectives and visions. Nahapiet and Ghoshal (1998) classified this as cognitive social capital, as this aids to communicate effectively the knowledge with each other (Gilbert and Cordey-Hayes, 1996).

Negotiation: According to Chen *et al.* (2006), at this stage, the knowledge-receiving firm interacts with the knowledge source in the knowledge transfer process, including highlighting any challenge inherent with this process. This is often in order to reach an agreement on how pending issues can be resolved. This stage is reflected in the theoretical framework presented in this research, particularly in the role cognitive social capital plays in the identification and interaction phases of Chen's theoretical framework.

Although this framework highlighted the fact that knowledge transfer often occurs through the process of interaction (Nahapiet *et al.*, 1998), it did not highlight that the type of knowledge (tacit or explicit) an SME manager is able to access is determined by the strength of ties (Granovetter, 1973; Granovetter, 1982) and the position it occupies in the network (Burt, 1992; Filieri and Alguezaui, 2014).

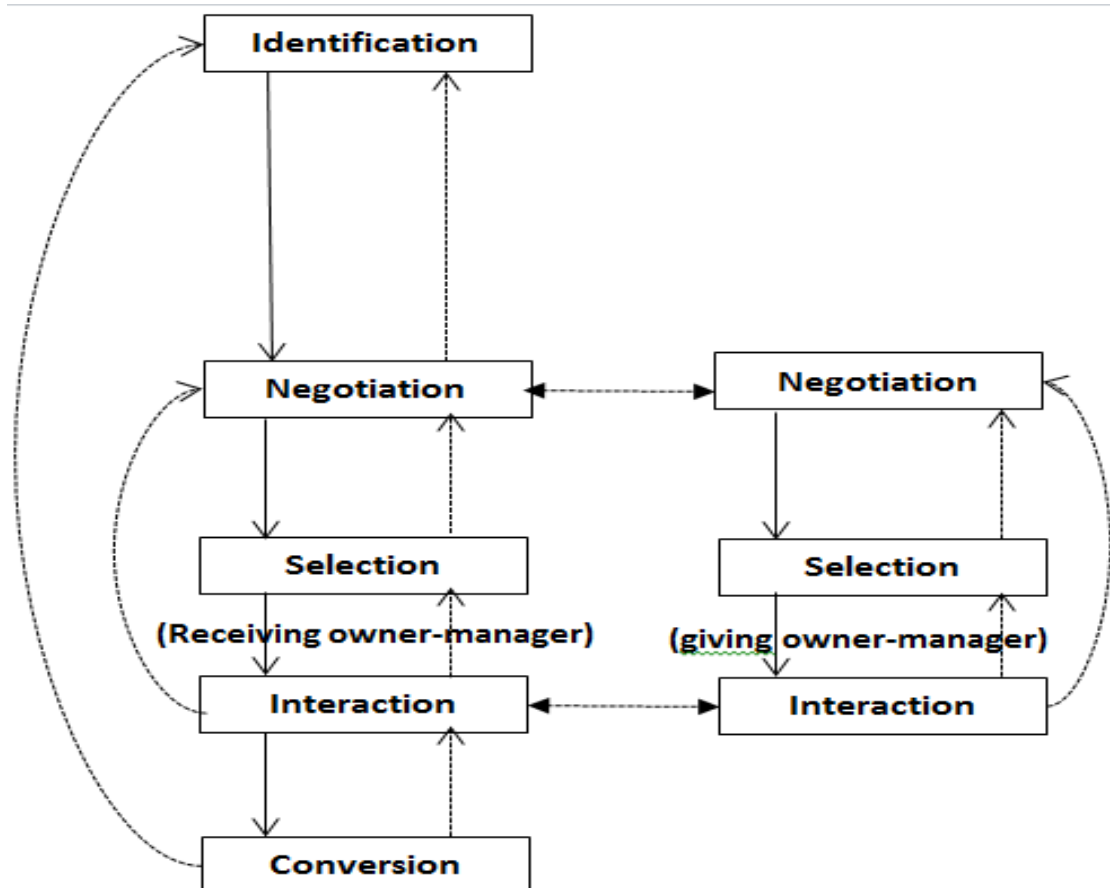


Figure 2.3: Chen's knowledge transfer framework (Chen *et al.*, 2006)

Selection: At this stage, a giving (or receiving) employee is selected by the giving (or receiving) organisation to specifically carryout the agreed transfer task (Chen *et al.*, 2006). However, at other times this happens between managers of SMEs who are often not keen on sharing their knowledge with each other unless there exists some motivation such as mutual trust, reciprocity, rewards or relationship (Ipe, 2003).

Interaction: This is the stage in which both the giving and receiving employees regularly contact each other to transfer the agreed knowledge (Chen *et al.*, 2006).

However, Chen *et al.* (2006) did not highlight the role social capital plays at this stage. For instance, in collectivist cultures such as Nigeria where in-groups such as tribes are influential, transfer of knowledge depends on the relational social capital existing between the SMEs (Nahapiet *et al.*, 1998). This is because the type of knowledge transferred (tacit/explicit) is determined to a large extent by the strength of ties (Granovetter, 1982). Additionally, the cognitive social capital also plays a key role as sharing common beliefs, paradigms enhance knowledge transfer between firms (Nahapiet *et al.*, 1998).

Conversion: This stage occurs when the manager of an SME contributes their knowledge to the organisation hence the individual learning is converted into organisational learning in order to improve the competitive advantage (Chen *et al.*, 2006). The challenge with this process within the context of SME is that the knowledge conversion process is often tainted by the worldviews of the SME managers, considering that their organisation is often influenced by their knowledge and personality (Durst and Edvardsson, 2012). These are often because of organisational practices (Higgins *et al.*, 2013), including individuals/management team (Sam *et al.*, 2012). The next section critically examines Szulanski's knowledge transfer model in order to explore its key elements while highlighting why it was adopted for this research.

2.2.3 Critical evaluation of knowledge transfer processes

These knowledge transfer processes considered the phenomena from different points of view, reflecting their research aims (Gilbert and Cordey-Hayes, 1996; Szulanski, 2000; Chen *et al.*, 2006). For instance, Gilbert and Cordey-Hayes (1996) knowledge transfer process aimed at highlighting the firm's capability to accomplish knowledge transfer by examining the various processes of the firm that might encourage learning within an organisation. This is slightly different from Szulanski (1996) process which highlights the stickiness involved in the process

of knowledge and best practice transfer. Although Szulanski's and Gilbert and Cordey-Hayes' frameworks are both knowledge transfer processes, their focuses and contexts are different. For instance, while Szulanski's framework focuses on intra/inter-firm knowledge transfer in a multinational context, Gilbert and Cordey-Hayes focused on intra-firm knowledge transfer.

On the other hand, Chen *et al.* (2006) knowledge transfer framework examined the phenomena within the context of SME. Research reveals that these knowledge transfer processes did not aim to review the role of social capital on knowledge transfer. However, Chen's framework highlighted some key aspects of social capital, such as interaction (Chen *et al.*, 2006), which aids the transfer of knowledge (Nahapiet and Ghoshal, 1998). Additionally, Chen *et al.* (2006) knowledge transfer framework, although focused on SMEs, was derived from Szulanski's knowledge transfer model, which presented his framework within the context of multinational organisations. Chen *et al.* (2006) claimed that Szulanski's initiation stage can be further expanded into identification, negotiation, selection and interaction, enabling a thorough examination of this stage.

However, contrary to this claim, some of the stages highlighted by Chen *et al.* (2006) overlapped into Szulanski's implementation stage. For instance, Chen *et al.* (2006) **interaction stage** involves the giving and receiving managers of SMEs regularly contacting each other to transfer the agreed knowledge. This is particularly important to clarify issues around the problems being solved. This stage is similar to Szulanski (1996) Szulanski (Kale and Perlmutter) **implementation stage**, where the source and the recipient managers develop ties specifically to aid the transfer process (Pisano, 1996). Additionally, at this stage, efforts are usually channelled to anticipate problems through careful planning, particularly to curb and manage reoccurring problems, while also making the knowledge transfer less threatening (Rice and Rogers, 1980; Buttolph, 1992).

These stages are different from those proposed by Gilbert and Cordey-Hayes (1996). For instance, positioning acquisition, as the first stage of the knowledge transfer process, implies that it is assumed that the knowledge gap has been identified, a stage Szulanski (1996) and

Chen *et al.* (2006) described as ***initiation*** and ***identification***, respectively. Moreover, Gilbert and Cordey-Hayes (1996) framework, just like Szulanski (1996) and Chen *et al.* (2006), examined knowledge transfer as a process; however, Gilbert and Cordey-Hayes (1996) perceived it as a learning process, particularly in an intra-firm context.

2.2.4 Knowledge transfer benefit

The competitive nature of business terrains increases the expediency of a business going the extra mile to build and sustain competitive advantage; hence, the need for knowledge transfer to be deployed as a process for accomplishing this (Argote, 1999; Argote and Ingram, 2000; Loebbecke *et al.*, 2016; North and Kumta, 2018). One of the key sources of competitive advantage for organisations is their ability to internally create and transfer knowledge. In other words, knowledge transfer is a critical element for an organisation to effectively and efficiently take advantage of change, innovate and get ahead of the competition (Argote and Ingram, 2000; Barney, 2001; Minbaeva *et al.*, 2003; Zonooz *et al.*, 2011). Hence, according to Argote and Ingram (Kale and Perlmutter), the purpose of knowledge transfer is competitive advantage for firms.

However, although there seems to be an agreement of the benefit of knowledge transfer in theory, there are different reports on its effectiveness in different organisations (Szulanski, 1996; Argote, 1999). Moreover, competitive advantage is not automatically generated through the transfer of knowledge, as the knowledge has to be difficult to copy, effectively implemented or implemented in a superior way, beyond what the competition can accomplish (Bharadwaj *et al.*, 1993; Barney, 2001). Coyne (1986) corroborated this by asserting that competitive advantage must make sense to or benefit the customer in the form of a beneficial product or service/delivery that influences customers' buying decisions.

This transfer of knowledge among organisations often delivers unique mutual learning experiences, including cooperation among their firms, which often initiates the creation of new knowledge while also influencing the firm's innovative abilities (Kogut and Zander, 1992; Tsai and Ghoshal, 1998). However, within SMEs, the challenge is that if you do not belong to such a network, you may not be able to access the relevant knowledge, even if your business desperately needs it to survive (Leonard, 2004).

In addition to this, knowledge is often 'sticky' and hard to transfer (Barney, 1991; Szulanski, 1996, 2000; Barney, 2001). In other words, evidence depicts that as a result of numerous barriers, the process of knowledge transfer sometimes does not accomplish the goal of managing SMEs' intangibles, including knowledge (Riege, 2007). Contrary to most literature, Riege (2007) asserts that for knowledge transfer to be effective, it must evolve beyond the movement of valuable knowledge from one firm to another into playing a role in collaborative problem solving between individuals and teams supported by networks and mechanisms.

Evidence shows that knowledge transfer happens faster within an organisation than it does between organisations, simply because individuals within the same organisation are often more similar, hence speeding up the process of transfer (Argote and Ingram, 2000; Inkpen and Tsang, 2005). This implies that knowledge transfer to organisations, particularly SMEs which often depend on external knowledge to thrive, are sometimes hindered (Chen *et al.*, 2006). In other words, for SME managers to access and acquire this knowledge, they must interact with other SME managers, thereby creating opportunities for inter-organisation knowledge transfer. Hence, for there to be an inter-firm knowledge transfer, SME managers must be motivated to participate in inter-firm knowledge transfer activities because for organisations like SMEs, knowledge transfer is an important aspect of learning, which involves acquiring knowledge from an external entity (Garvin, 1993).

Knowledge transfer can take place within firms and their branches, between teams and between different organisations (Kostova, 1999; Minbaeva *et al.*, 2003; Björkman *et al.*, 2004). This implies that units are often not self-sufficient as regards accessing all the critical and strategic knowledge they require to stay competitive, and spot and capture emerging market opportunities (Zander and Kogut, 1995; Dobrai *et al.*, 2012). Although many firms have their own research department, most firms, including SMEs, are increasingly finding it challenging to rely on only knowledge generated from within the organisation (Dowling and Helm, 2006). Hence, relying on external knowledge to achieve their organisational goals has become

particularly important for SMEs which find research and knowledge generation costly (Chen *et al.*, 2006; Braun and Hadwiger, 2011).

Thus, knowledge represents the main resource upon which competitive advantage is founded, and its transfer is widely emphasized as a strategic issue for firm competition. In particular, this argument is dealt with by Cohen and Levinthal (1990), who stress that knowledge transfer is a critical factor for a firm, necessary to rapidly respond to changes, innovate and achieve competitive success (Barney, 1991; Argote and Ingram, 2000; Barney, 2001; Yang, 2009). This illustrates why knowledge transfer is important for organisations. However, many of these researches were conducted within the context of MNCs (Quarterly *et al.*, 1990; Hansen, 1999; Tsai, 2001; Foss and Pedersen, 2002; Ipe, 2003; Minbaeva and Michailova, 2004; Riege and Zulpo, 2007), which have a different framework from SMEs (McAdam and Reid, 2001; Iturrioz *et al.*, 2014). Nonetheless, SMEs require knowledge, as do their MNC counterparts, to build competitive advantage (Zonooz *et al.*, 2011).

Considering the critical role knowledge transfer plays in helping SMEs build and sustain organisation-wide competitive advantage, it is appropriate to examine the different levels involved (Von Krogh and Roos, 1996; Argote and Ingram, 2000).

2.2.5 Individual level transfer

This level of knowledge transfer is very crucial, as it links different groups and organisational transfer (Argote, 1999; Argote and Ingram, 2000), because knowledge is ingrained in individuals through which it is transferred to other levels of organisations (Simon, 1991).

Familiar individuals, particularly those who share pleasant work experiences, have a higher probability of developing ties which can support the process of knowledge transfer (Podolny and Baron, 1997). In an organisational context, an individual is perceived as possessing entrepreneurial intuition, in a situation whereby they are able to introduce a new thinking model, which puts to the test conventional norms and beliefs of the organisation (Crossan *et*

al., 1999). Hence, individual-level knowledge transfer occurs when an individual within an organisation shares unique knowledge with others through communication or personnel movement (Almeida and Kogut, 1999; Gruenfeld *et al.*, 2000).

However, this may be hindered where there is a high level of unemployment, such as in Nigeria (Asaju *et al.*, 2014), as individuals may hold on to their knowledge for fear of losing value and their competitive advantage within their organisation (Szulanski, 1996; Almeida and Kogut, 1999; Minbaeva and Michailova, 2004). Additionally, the knowledge recipient may refuse to use knowledge from the knowledge giver because of their concern that it would make them appear less knowledgeable, driving them to strive to obtain knowledge themselves, not considering that someone within the firm already possesses the knowledge (Bender; and Fish, 2000).

However, if there is high trust between employees or SME managers (Putnam, 2000; Levin and Cross, 2004; Nahapiet, 2015), superordinate identity (Kane *et al.*, 2005), or a feeling of psychological safety (Edmondson, 1999), there is a higher probability for knowledge transfer. Hence, for effective knowledge transfer to occur, individuals (Walsh and Ungson, 1991) must possess relevant and strategic knowledge necessary for effective competitive advantage (Argote and Ingram, 2000; Argote *et al.*, 2000).

2.2.6 Intra-organisational level transfer

Within firms, various departments can learn from each other and take advantage of fresh ideas and knowledge originating from other units (Argote and Ingram, 2000). This occurs when members of a firm are moved from one organisational unit to another (Kane *et al.*, 2005). Similarly, this also occurs when work tools in which knowledge is embedded are moved from one unit to another. Darr *et al.* (1995) corroborated this, but from a different perspective, when he asserted that the sequence of tasks or routines serves as repositories and knowledge transfer mechanisms. This often makes available to various units or groups, opportunities to

mutually learn and collaborate on the development of knowledge, while also enhancing the firm's ability to innovate (Kogut and Zander, 1992; Tsai and Ghoshal, 1998).

However, this is not without considerable direct and indirect costs (Teece, 1977, Daft, 1992), which are measured differently. For instance, direct costs are often measured as regards the time and money expended during the transfer process, while indirect cost are measured by considering the loss of various opportunities to enhance the learning capabilities of internal subunits (Andersson *et al.*, 2015).

Hence, SMEs' units often possess valuable knowledge and specialized competences, which can be deployed to other units within the same organisation, while also able to learn from other branches (Huber, 1991). However, SMEs are often unable to learn from each other as a result of their inability to access the relevant knowledge, the 'sticky' nature of the knowledge and at other times, the unit may be unable to absorb and implement the knowledge for its benefit (Szulanski, 1996; Tsai, 2001). In other words, strong ties and weak ties (Granovetter; Granovetter, 1982), shared organisational language and narratives (Nahapiet and Ghoshal, 1998) and a feeling of psychological safety (Edmondson, 1999) facilitate knowledge transfer between groups and units.

2.2.7 Inter-organisation knowledge level transfer

The business world changes at a very fast pace, thereby making it more challenging for businesses, particularly SMEs, to effectively observe and comprehend all the relevant information in any domain. This increases the need for businesses to collaborate, in order to share knowledge with each other and learn from each other's competencies and experiences, so as to stay ahead of the changes that take place in every industry. Businesses often achieve this by effectively exploring the myriads of available information, in order to select the most suitable knowledge source (Darr and Kurtzberg, 2000).

However, considering the limited resources of SMEs, they may not be keen on seeking all knowledge nor take part in all knowledge transfer activities, unless this specific knowledge has been proven to be strategic to their business interest (Chen *et al.*, 2006). Additionally, only privileged SMEs within the social network are able to access the relevant knowledge (Putnam, 2000; Leonard, 2004). Inter-organisation knowledge transfer is a critical area of study in both organisational learning and knowledge management research (Lyles and Salk; Werr, 1999; Chen *et al.*, 2006). The alliance of firms across formal organisational borders in order to gain access and leverage important knowledge is essential to organisational operations (Powell *et al.*, 1996; Barringer and Harrison, 2000; Lang, 2004).

However, this does not happen between every organisation, considering that knowledge is usually the trade secret and intellectual capital of these organisations, which plays a role in their competitive advantage (Barney, 1991; Argote and Ingram, 2000; Argote *et al.*, 2000; Barney, 2001). Hence, organisations often only transfer knowledge when mutual trust and ties exist between them (Granovetter, 1982; Putnam, 2000). Additionally, the type of knowledge being transferred is determined by the intensity of tie (Granovetter, 1982; Burt, 1992; Burt, 1997; Putnam, 2000) and the location of the relationship on the social structure (Nahapiet and Ghoshal, 1998). Moreover, structural holes exist between actors within the social structure walker (Burt, 1997; Walker *et al.*, 1997) and knowledge transfer, as all members do not access all knowledge (Putnam, 2000).

Hence, since this study is examining the influence of social capital on knowledge transfer between managers of Nigerian SMEs, the next section examines social capital theory.

2.3 Theoretical Underpinning

2.3.1 Defining social capital theory

Social capital theory was introduced by social economists. As a theory, it links inter-personal social relationships to the generation of economic value (Smedlund, 2008). According to Burt (2001) social capital “is the final arbiter of competitive success” (p. 283) for entrepreneurs.

Burt further describes it as “know-who”, that is, everyone you presently know, everyone you knew, and everyone who presently knows you, even though you may not know them (Burt, 1992; Edelman *et al.*, 2002). According to Smedlund (2008), social capital can be related to an “informal organisation”, especially in the field of organisational studies. This implies that it functions as a social structure, supporting the formal hierarchy of an organisation. However, social capital is not static as there is a possibility of it increasing and decreasing over a space of time. This occurs when organisations deepen existing relationships, enter new ones and terminate challenging ones (Rauch, 2001).

For Portes (1998), social capital derives its relevance from its capacity to prioritize positive results of sociability, putting aside less important characteristics and the positioning of these values in a framework of non-monetary capital. The term ‘capital’ indicates that networks and norms of reciprocity are productive and important to generate mutual gains of co-operation (Habisch, 1999). Putnam (1993, p. 167) defines social capital as “features capital of social organisation, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions”.

Social capital theory is an interdisciplinary theory, which often gets highlighted in the title, abstract and keywords of leading journals, a trend that has led to evolution of a field of research (Prell, 2006; Adler and Kwon, 2009; Kwon and Adler, 2014). Although social capital has been relatively popular, more research is still being called for to help our understanding of key phenomena, such as economic performance of organisations (Baker, 1990), geographic areas (Putnam, 1993, Putnam, 1995), different countries (Fukuyama, 1995; Nahapiet and Ghoshal, 1998) and other unexplored niches (Kwon and Adler, 2014).

2.3.2 Social Capital from three main perspectives

Social capital theory has been explored by different scholars (Bourdieu, 1986; Coleman, 1988, 1990; Putnam, 1993, 2000) many of whom did not agree on a number of key elements, see table 2.1. For instance, Putnam (Kale and Perlmutter) described social capital from a network

perspective, whereas Coleman (1988) described it from a functional perspective, while Nahapiet *et al.* (1998) extended Bourdieu (1986) concept of social capital by describing it from a structural perspective. However, they did agree on the important role social capital plays in a group and in society as a whole (Bourdieu, 1986; Coleman, 1988, 1990; Putnam, 1993, 2000) and the influence networks have on building trust or the exchange of various types of resources (Prell, 2006).

Social capital is different from other forms of capital, such as human capital and financial capital that managers often utilize within their firms (Coleman, 1988; Dakhli and De Clercq, 2004). It originates from, and often relies on, the interactions that occur between individuals rather than relying on resources in a single individual (Ramström, 2008).

This concept has been widely adopted across disciplines, particularly in social science, where it has more or less achieved buzz word status (Bourdieu, 1986; Coleman, 1988; Nahapiet and Ghoshal, 1998; Baron, 2000; Schuller *et al.*, 2000; Putnam, 2001).

Justification for adopting social capital

Social capital theory has been adopted as the suitable theoretical lens through which to explore how Nigerian SME managers transfer relevant knowledge - a critical role in the competitive advantage of their firms (Argote and Ingram, 2000; Goh, 2002; Watson and Hewett, 2006; Zonooz *et al.*, 2011). This is expedient considering that Nigeria does not have strong institutions, particularly the ones designed to support SMEs (Ihua, 2009; Okpara and Okpara, 2011; Caleb M *et al.*, 2012). Hence, SME managers often rely on informal structures, such as social capital, to access relevant resources and knowledge (Ijose, 2009; Omotayo and Babalola, 2016).

SMEs are often in short supply of relevant resources and knowledge, which they require to effectively compete within their business environment (Pradhan, 2011). This is particularly the case in developing countries like Nigeria where established formal institutions are either too weak to support, or are generally inadequate or non-existent (Harbeson, 1995). Hence,

managers are often forced to depend on informal social structures (Foss, 2007) such as social capital (Bourdieu, 1986) to augment and supply the relevant resources and knowledge needed to effectively compete (Barney, 1991, 2001). In order to accomplish this, the concept of social capital helps to examine how these resources, such as knowledge, are transferred during social interaction between Nigerian managers (Bourdieu, 1986; Filieri and Algezau, 2014).

Social capital theory is also able to link different, but important, aspects of social research, for example, between individual and collective action, personal interest and common good, culture and structure, community and the general society (Bourdieu, 1986; Coleman, 1990; Putnam, 1995; Castiglione *et al.*, 2008). This is relevant to this study, as it can serve as a relevant tool for exploring how knowledge transfer (the process of dyadic exchange of relevant knowledge which occurs between the sender and the receiver) (Szulanski, 1996) occurs between managers of Nigerian SMEs, considering that social capital is only available within relationships (Nahapiet and Ghoshal, 1998).

Moreover, social capital has been adopted as an underpinning theory because knowledge transfer often occurs during interactions among individuals in a social relationship (Nahapiet and Ghoshal, 1998; Yli-Renko *et al.*, 2001). Also, there is an interesting line of study about knowledge transfer focusing on the characteristics of social systems of relationships that are incorporated under the concept of social capital theory (Argote *et al.*, 2003). Moreover, social capital theory has been utilized to access an in-depth comprehension of a vast array of issues, such as economic development, democracy and governance, successful employment, group action and industry network (Bolino *et al.*, 2002; Kostova and Roth, 2003; Griffith and Harvey, 2004), and this includes knowledge transfer at different levels (Rhodes *et al.*, 2008; Kumar *et al.*, 2009; Wei *et al.*, 2011; Kang and Sauk Hau, 2014; Li *et al.*, 2014). Additionally, social capital can be very valuable in exploring knowledge management and knowledge transfer

(Inkpen and Tsang, 2005; Wei *et al.*, 2011; Terry Kim *et al.*, 2013; Filieri and Alguezaui, 2014; Li *et al.*, 2014).

In analysing knowledge transfer, social capital theory takes the view that knowledge is transferred between the knowledge giver and knowledge recipient.

2.3.3 Network Perspective (Putnam)

This social capital perspective has been proposed by Putnam (Kale and Perlmutter), who asserted that social capital “refers to connections among individuals - social networks and the norms of reciprocity and trust-worthiness that arise from them” (p. 19). This implies that the core theme of social capital theory asserts that networks of connections enhance the process of social interactions, making available for members a pool of collectively owned capital, which they can access at any time (Putnam, 2000). He went further to describe it as “features of social organisation, such as trust, norms, and networks that can improve the efficiency of society by facilitating co-ordinated actions” (Putnam, 1993, p.167).

The general perception guiding social capital research is that the goodwill expressed toward an individual, a team or organisation is a valuable resource (Adler and Kwon, 2009). However, without admitting members into the social group where the social capital exists, one stands the risk of exclusion (Putnam, 2000). As the bulk of social capital is embedded within networks of shared interactions and recognition, firms that have need of these resources, but which are not linked to these networks may not access it (Cavaye, 1996; Doolin, 1996; Putnam, 2000). Putnam (2002) identified two dimensions of social capital: bridging social capital (assessable networks which are outward looking) and bonding social capital (assessable networks which are inward looking). The third dimension, linking social capital (a social capital which links different communities with economic, political, and social institutions) was identified by (Woolcock, 1998). The next section critically reviews these dimensions of social capital.

Bridging social capital: This dimension of social capital refers to accessible networks that are “outward looking and encompass people across diverse social cleavages” (Putnam, 2002,

p. 22). This dimension of social capital refers to more distant connections existing between people and more often than not, they are weaker and cross-cutting in nature, e.g. connections existing between business contacts, acquaintances, friends of friends, etc.

According to Putnam (2001), this social capital is necessary for 'getting ahead' in business and sometimes provides access to jobs (Granovetter, 1995). The larger these networks of connections are, the higher the potential access to resources; some of which ignite innovative ideas (Granovetter; Burt, 1992; Moran, 2005). In other words, large groups often create more opportunities for bridging ties, but are often less cohesive (Burt, 1992; Oh *et al.*, 2004). Bridging social capital is "better for linkage to external assets and information diffusion" (Putnam, 2000, p. 22). Connections are across myriads of networks, such as acquaintances and work colleagues (Woolcock, 2001), bringing people together from various social sections where ties are often weak (Granovetter, 1973), coupled with the existence of structural gaps (Burt, 1995).

Moreover, the bridging social capital often occurs between different groups of participants – such as different networks and it plays the key role of expanding the competencies and networks resources that are usually not accessible in other ways (Onyx and Bullen, 2000).

One key downside of bridging social capital is that it often occurs within a large group of dissimilar people or among a large number of small groups that lack the capability to leverage each other's strengths to work together (O'Brien *et al.*, 2005). Hence, this may be limited in driving industry-specific knowledge transfer.

Bonding social capital: This dimension of social capital describes "inward looking networks that tend to reinforce exclusive identities and homogeneous groups" (Putnam, 2002, p. 22). It refers to connections between individuals, which are often identified by their strong bond (Putnam, 1993, 1995, 2001, 2002). This is consistent with Burt (1997) idea of cohesion. It

often exists among family members or close friends, and is good for 'getting by' in life (Putnam, 2000, 2001, 2002).

Bonding social capital unites people who share common ethnicity, age, gender, social class, etc. (Putnam and Goss, 2002). However, the mutual support often inherent within this type of social capital is usually through membership, hence is rarely extended to other groups or networks (Onyx and Bullen, 2000). The high level of cohesion (Burt, 1992), what Granovetter (1982) described as strong ties, raises the probability of possessing similar knowledge, hence providing knowledge that is often redundant (Burt, 1997). However, bonding social capital between similar groups implies that the capital within some groups is more valuable and positive than others (Fuller, 2013).

Bonding social capital helps to strengthen trust, an important component of social capital (Coleman, 1988; Nahapiet and Ghoshal, 1998); although, when this is excessive, it can materialize into a situation which leads to "price bubbles negatively affecting not only the traders, but the entire economy" (Portes, 2014, p. 18407). Further, according to Elliot (2001), it has the capacity to generate and nurture opposing and intolerant perspective that divide groups and businesses – what Foley and Edwards (1999), described as "warring factions or degenerate into congeries of rent-seeking 'special interests'" (p. 39). This can hinder firms from harnessing the power of diversity (Jarzabkowski and Searle, 2004) and all the unique knowledge they can access through a diverse network (Burt, 1997) because people of a diverse ethnic background like Nigeria can bring a variety of values and unique insights to the strategy-making process (Jarzabkowski and Searle, 2004).

Linking social capital: This social capital was developed by Woolcock (1998) as a social capital which links different communities with economic, political and social institutions. It captures the interactions which take place between individuals, various groups and firms who are not on the same hierarchical levels for the purpose of accessing relevant resources (Healy

and Côté, 2001). Further, Woolcock (2001) expanded this dimension of social capital asserting that it includes firms' capacity to harness ideas, knowledge and relevant resources from formal organisations existing beyond their community. However, some authors rejected placing it at the same level with bonding and binding social capital as 'linking' is not so clearly a part of everyday social interaction (Patulny and Lind Haase Svendsen, 2007).

2.3.4 Structural Perspective (Bourdieu)

Bourdieu defined social capital as the "aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (Bourdieu, 1986, p. 248). These resources (collectively owned capital) which are often embedded within the social interactions between individuals (Coleman, 1988; Lane and Lubatkin, 1998; Nahapiet and Ghoshal, 1998; Noorderhaven and Harzing, 2008; Hunter and Lean, 2014) are perceived in the form of gratitude and trust, and are guaranteed through individual memberships to a certain class or group (Bourdieu, 1986).

Bourdieu's key claim was that social capital is of immense value to both individuals and social classes, as they are able to take advantage of the personal relationships and the mutually shared values (Prell, 2006). Hence, this makes adopting Bourdieu's perspective of social capital suitable for this research, as this research reviews the influence of social capital on inter-firm knowledge transfer from the perspective of Nigerian SME managers. In addition to this, Bourdieu analyses social capital from the structural perspective which aligns with the research context – Nigeria, a country with a high power distance reinforcing the structural differences (Hofstede *et al.*, 1991; Hofstede and Hofstede, 2005).

Bourdieu (1986) concept of social capital was further developed and expanded into three dimensions: structural social capital (impersonal configuration of linkages between people or units), relational social capital (this dimension describes the emotional and affective aspect of social capital) and cognitive social capital (this social capital dimension describes the collective

targets, vision and rules being subscribed to by members of a particular group (Wasko and Faraj, 2005). These are discussed below.

Structural Social Capital: The structural dimension of social capital is the “impersonal configuration of linkages between people or units” (Nahapiet and Ghoshal, 1998, p. 244). Its key aspects include the existence and non-existence of network ties between actors (Wasserman and Faust, 1994; Scott and Carrington, 2011); network configuration (Krackhardt, 1994) describing the configuration of linkages as regards yardsticks, such as density, connectivity, and hierarchy; and the deployment of networks created for a specific use to other uses (Coleman, 1988).

This social capital dimension involves the social and network relations that determine the individuals who can relate and how these relations can be accomplished (Burt, 1992; Chow and Chan, 2008). Managers possessing social capital enjoy higher returns on their human capital because their position helps them identify, access and develop beneficial opportunities (Burt, 1997). In other words, it broadly describes the nature and dimension of these relationships within organisations and networks, highlighting important elements such as the connectedness between members (Bolino *et al.*, 2002).

According to Alguezaui and Filieri (2010), this dimension of social capital is pivotal to the relational and cognitive dimensions. They assert that the frequency of interaction between members of a network, such as SME managers, would increase the atmosphere of mutual trust and commitment (relational capital), which in turn would trigger the development of common values and language required to transfer tacit knowledge (cognitive dimension) (Alguezaui and Filieri, 2010). This argument appears plausible; however, the logic seems flawed because before members of a network can embark on a regular interaction, what (Granovetter, 1982) describes as strong ties, they must share common language and interests (Nahapiet and Ghoshal, 1998).

In other words, before actors (managers of SMEs) interact regularly through the available networks, there would often have been existing common interest and language (Nahapiet and Ghoshal, 1998). This explains why Ouchi (1980) pointed out that “common values and beliefs provide the harmony of interests that erase the possibility of opportunistic behaviour” (p. 138). Hence, cognitive social capital precedes relational social capital before structural social capital.

The next section reviews the different dimensions of structural social capital from an inter-firm perspective, considering the fact that this research considers an inter-SME perspective.

Network Size (number of ties)

Inter-firm level. The strength of social capital is in the resources embedded within the network of social interactions; in this research, this means the existing interactions between SME managers (Bourdieu, 1986; Putnam, 1995; Putnam, 2000). For instance, firms can collaborate by forming strategic alliance of a group of organisations uniting in voluntary arrangements, which involve exchange of resources, sharing, or co-development of technologies, products or services and knowledge (Gulati and Singh, 1998). The rapid change in the global business terrain has increased the drive by SME to explore new ways for retaining their competitive advantage (Bharadwaj *et al.*, 1993; Oliver, 1997).

Hence, there has been a rise in strategic business alliances among organisations triggered by technological advancement and globalization. As a matter of fact, this alliance can be formed by the coming together of organisations located in diverse positions and sometimes in the same positions in the value chain: that is, manufacturing similar products and operating within similar geographical market (Hamel *et al.*, 1989).

Large vs Small Network Ties

Large ties often create opportunities for managers of SMEs to access knowledge and resources that help them compete effectively (Argote and Ingram, 2000; Barney, 2001). However, considering the fact that SMEs often have limited resources (Perez-Araos *et al.*,

2007; Chollet *et al.*, 2014; Eniola and Ektebang, 2014), managing a large network can be both time consuming and expensive. On the other hand, small network ties are not exempt from challenges as well, considering that they have the tendency to limit the quality and quantity of the knowledge going through the network. This is because small network ties increase the probability of interactions between managers (Putnam, 2000; Glover, 2004). However, this does not guarantee the transfer of knowledge that boosts competitive advantage for SMEs. This implies that SMEs must look beyond large vs small network ties in order to focus on the relevance of the knowledge that can be accessed in the network in providing competitive advantage.

Tie Strength

Inter-firm. The concept of tie strength was developed by Granovetter (1973). He asserted that weak ties are labelled as such because they are identified by a minimal level of interaction occurrence, interpersonal distance, access to fresh information, while enhancing job search for individuals in the labour market (Granovetter, 1973; Granovetter, 1982). However, these ties can limit the transfer of complex or tacit knowledge, which are known to facilitate product development (Hansen, 1999).

On the other hand, strong ties are identified by a high level of interaction occurrence, interpersonal closeness and access to redundant information (Granovetter, 1973; Granovetter, 1982). Research by scholars asserts that these two ties facilitate access to different types of information. Weak ties, for instance, often grant access to public, relevant and explicit knowledge (Hansen, 1999; Reagan and Mcevily, 2003; Uzzi and Lancaster, 2003). According to Hensen, (1999), this is relatively cheaper to obtain when compared with strong ties, thereby creating more time for completing the key project.

As firms form alliances for the purpose of interacting and transferring relevant knowledge, they create networks based on the ties they have. These ties impact on the type of knowledge transferred (Granovetter, 1982). As a matter of fact, strong ties were observed to have positive

impact on the elements, such as trust and shared understanding, which facilitate the transfer of knowledge (Uzzi, 1997; Dyer and Nobeoka, 2000; Capaldo, 2007; Williams, 2007; Mu *et al.*, 2008). However, some of the drawbacks of strong ties include that it increases the possibility for sameness, low creativity, minimizes the number of contacts and reduces the flexibility and willingness to join forces with fresh partners and even minimizes receptiveness to the market (Putnam, 2000; Perry-Smith, 2006; Capaldo, 2007). This element of sameness increases the probability that the network may not be open to new knowledge, particularly that coming from outside it (Hansen *et al.*, 2005), despite the fact that they have been proven to trigger innovation and competitive advantage (Granovetter, 1982; Putnam, 2000; McFadyen and Cannella, 2004). The argument seems plausible, but to accept it is to imply that strong tie networks cannot deliberately infuse a mechanism for ensuring that knowledge within the group is constantly updated to minimise the challenge of sameness. For instance, a dual network architecture which incorporates strong ties and weak ties can facilitate access to knowledge and integrate potential explorations which can enhance the firm's innovative competences (Capaldo, 2007).

Further, a new typology was incorporated into Granovetter's (1973, 1982) concept of ties by Levin *et al.* (2011) which he termed dormant ties. According to Levin *et al.* (2011), a dormant tie is "a relationship between two individuals who have not communicated with each other for a long time, e.g. who have drifted apart because of job mobility, divergent interests, or other time demands" (p. 923). Research reveals that dormant ties provide similar advantages often associated with either strong ties or weak ties, such as trust and shared understanding or access to original knowledge and perceptions.

Centrality

Inter-firm. Individuals with conspicuous network centrality have high volume interactions with other members of the group, which often enhances knowledge transfer (Freeman, 1978; Brass, 1984; Tsai, 2001). The centrality of a position facilitates competency building for

network actors when they learn from other people in the network (Brass, 1984; Tsai, 2010). Hence, when there is a demand for information which a network actor does not know, they can connect the knowledge seeker to the relevant knowledge source (Kang *et al.*, 2010).

Moreover, the central position of a firm increases the degree to which other firms consider it as a strategic source of knowledge, thereby increasing their drive to learn from it (Andersson *et al.*, 2002).

The centrality of a network has also been linked to creativity (Perry-Smith and Shalley, 2003; Perry-Smith, 2006). However, this can only occur if the network is what Burt (1992) described as sparse network or Granovetter (1982) by weak ties. SME managers are able to access creative ideas/knowledge that help them remain competitive by centrally positioning themselves within their networks in order to access these resources, which they may not have been able to access outside the network (Liebeskind *et al.*, 1996; Powell *et al.*, 1996). In line with this, Owen-Smith and Powell (2004) discovered during their research that there was a rise in the creation of knowledge in the Boston biotechnology community and this was not unconnected to the centrality of the network.

However, continuous rise in the flow of information after a certain point, may lead to the centrally positioned firm to find it challenging to effectively process all the information, hence limiting the transfer of knowledge to others in the network (Owen-Smith and Powell, 2004).

Cohesive and sparse networks

Inter-firm: Sparse networks often facilitate new ideas through the process of brokering among a variety of organisations and their products (Hargadon and Sutton, 1997). Mcevily and Zaheer (1999) further corroborated this fact by asserting that maintaining networks embedded in bridging ties (which are often weak ties) raised the probability of accessing new ideas, information and opportunities (Perry-Smith and Shalley, 2003; Perry-Smith, 2006). As these firms interact within their networks, they often develop common languages which aid the

process of knowledge transfer, thereby enhancing the competitive advantage of firms (Argote and Ingram, 2000).

Cohesive network, which constitutes the basis of Coleman's argument, refers to the level of intensity of ties and interconnectedness among members of a particular network. Hence, a cohesive network consists of a network of actors connected to one another (Coleman, 1988; Alguezaui and Filieri, 2010). This connectedness influences the transfer of resources, knowledge and social capital (Coleman, 1988; Barney, 1991; Uzzi, 1997; Hansen, 1999; Barney, 2001; Reagan and Mcevily, 2003).

However, one of the drawbacks is that a cohesive network has the probability of slowing down members' drive for seeking out new partners, thereby disconnecting them from the external world, a situation that may result in a 'lock-in' or 'over-embeddedness' (Uzzi, 1997; Gargiulo and Benassi, 1999, 2000). Moreover, SME managers in the sparse network described as 'boarder spanners' (Tortoriello *et al.*, 2012) may obstruct the transfer of relevant knowledge to other members in the dense network because of their desire to maintain their control (Crozier, 1964; Minbaeva and Michailova, 2004).

Relational Social Capital

This dimension describes the emotional and affective aspect of social capital (Nahapiet and Ghoshal, 1998). It highlights the trust-based interpersonal relationships within the networks, shared beliefs, norms, collaboration with other members of the network, a combination of factors which influence members to pursue the same goals (Cabrera and Cabrera, 2005; Smedlund, 2008). These relationships, which often embody the characteristics of the connections between individuals in the network, are developed through a history of personal interaction (Nahapiet; and Ghoshal, 1998). In other words, previous relationships between individuals built on trust would influence the dynamics and possible outcomes of the interactions between the individuals (Muniady *et al.*, 2015; SmithAfrica *et al.*, 2015).

Although this dimension of social capital facilitates the relationships of the members within the network, it also raises the possibility for exclusion of others (Leonard, 2004). The next sub-section examines the elements of relational social capital.

Trust

Trust is a critical factor for the conceptualisations of social capital (Fuller, 2013). It has been categorized along two sub-dimensions: fragile and resilient trust (Leana and Van Buren, 1999). The concept of trust is largely embedded in the social capital debate and it is considered as an outcome of social capital (Woolcock, 2001). According to Healy and Côté (2001), trust is a critical element of the shared values which constitute social capital. However, Pretty and Ward (2001) assert that trust is created in a social network when erring (flouting social norms or coming short in their responsibilities) social actors are sanctioned.

Types of Trust

Thick trust: This is the trust we have with the people we know. This exists in a close social network (Putnam, 2000). This trust creates a strong link to firms' processes and competences and it is often based on regular social interactions (Leana and Van Buren, 1999). Hence, this type of trust "creates expectations that bind individuals to groups" (Dess and Shaw, 2001, p. 451).

Thin Trust: This trust relates with the people we do not know personally, but may be in our community. It focuses on formal guidelines of allocation; it does not make available a strong link to the firms' competences of information flow and collection action. There is often the probability of immediate gratification (Leana and Van Buren, 1999). However, Putnam's views of trust were challenged by Sixsmith *et al.* (2001) who assert that trust is inherently more dynamic and multi-dimensional than Putnam's unitary concept of trust.

Fukuyama (2001) further differed by presenting his concept of trust: 'radius of trust' (p. 8). This implies that trust exists within a loop of people among whom co-operative norms operate. In

Latin American societies, the narrow radius of trust creates a two-tier system in which courteous behaviours are reserved only for family and close friends, while a poor standard is only reserved for the general public. Unfortunately, this creates a cultural platform for corruption.

Identification, Norms, Obligation

Identification addresses how individuals perceive themselves as part of a group. Strong group identity serves as an impetus for collaboration and exchange of information (Nahapiet and Ghoshal, 1998). This implies that individuals may demonstrate reluctance in collaborating, communicating and sharing knowledge (Pearson *et al.*, 2008). This is because people tend to be more concerned with the work group within which they operate than the firms within which these groups are embedded (Zaccaro and Dobbins, 1989; Becker, 1992; Gregersen, 1993; Barker and Tompkins, 1994; Caporael and Baron, 1997). Hence, when people strive to fit in or identify with any particular group, they tend to modify their individuality for the purpose of the achievement of the group goals (Moreland and Levine, 2002); of course, sometimes, at the expense of individual goals, particularly in a collectivist culture (Hofstede *et al.*, 1991).

Norms play a critical role by characterizing agreement on the various actions in the social system (Nahapiet and Ghoshal, 1998). For instance, norms of candour, teamwork and collaboration often reinforce the collective actions of the organisation by initiating other important norms such as reciprocity (Dess and Shaw, 2001). This norm of reciprocity helps to move individuals' focus from being opportunistic and self-serving to group-focused (Adler and Kwon, 2009). This strengthens existing trust between network actors, thereby regulating their behaviours. Hence, they are able to interact and openly share relevant resources, such as knowledge with others within their network (Nahapiet and Ghoshal, 1998).

Obligation plays a key role in relational social capital in facilitating mutual, complimentary and collective actions (Leana and Van Buren, 1999). Considering that social capital is a social infrastructure, obligations play critical roles in ensuring that there are complimentary,

reciprocal and collective actions between network actors (Pearson *et al.*, 2008). Networks with high-level social capital possess mutual commitment derived from obligations that serve to nurture relationships among members (Pearson *et al.*, 2008). Relational contracts and norms develop an effective pattern of obligation in networks that are stronger and more influential than behaviour derived from formal rules, procedures and transactional agreements (Leana and Van Buren, 1999).

Cognitive social capital

Cognitive social capital describes the collective targets, vision and rules being subscribed to by members of a particular group (Wasko and Faraj, 2005), in addition to the common intellectual background (Nahapiet and Ghoshal, 1998; Smedlund, 2008). SME managers sharing common intellectual background (shared beliefs, interpretations, perspectives and visions) as regards the strategy being adopted in the organisation helps facilitate social capital. These shared beliefs and objectives are critical in the formation of social capital because their absence may trigger mutual suspicion and lack of cooperation within the group (Nahapiet and Ghoshal, 1998; Portes, 1998; Adler and Kwon, 2000), hence limiting the transfer of relevant knowledge (Barney, 1991; 2001).

Shared understanding and language

Shared understandings and language are an element of cognitive social capital facilitating interactions and communications between actors within networks (Nahapiet and Ghoshal, 1998). This is because sharing common language and systems of meaning facilitates the gaining of social relations, knowledge and resources by actors, which are often difficult to obtain without cognitive social capital. When actors within networks are familiar with each other, and are long-term partners, it further enhances mutual understanding and collaboration (Gulati, 1995). This has been found to support the exchange and generation of knowledge (Boland and Tenkasi, 1995).

2.3.5 Functional Perspective (Coleman)

This perspective was introduced by James Coleman. According to Coleman (1990, p. 302), social capital is a diversity of 'entities' which have "two characteristics in common: they all consist of some aspect of a **social structure**, and they **facilitate certain actions** of individuals who are within the structure". He gave a more functional definition of social capital and a clearer understanding of the structures. According to Coleman (1988), social capital is defined by its function, which consists of two main shared qualities: social structures and their ability to facilitate specific actions of individuals, organisations or governments within these structures. As a functional sociologist, Coleman (1988) asserts that every aspect of a society has a function. This functional view of society influenced his perspective of social capital as a societal phenomenon, contrary to Bourdieu (1986) perspective of social capital as an individual phenomenon. It is a capital that is embedded in the structure of interactions between actors in a society. However, it does not always facilitate positive actions because a social capital that is valuable in facilitating specific transactions may be a liability or even harmful in other situations (Coleman, 1988).

As a function, Coleman (1988) asserts that social capital takes three important forms, which include: firstly, the obligations and expectations which rely on the communal trustworthiness available with the social setting; secondly, the volume of information movement through the available social structures which is geared towards the facilitation of actions; and lastly, the presence of norms supported by effective penalties (Coleman, 1988). Social capital, an 'unintended result', is a resource that can be accessed by any social actor who invests in the social structure. As a resource, it is generated by the norm of reciprocity which occurs through networks (rather than individuals) where interactions are influenced by trust and shared norms (White *et al.*, 2003).

Obligations, Expectations and Trustworthiness of structures: According to Coleman (1988), social relations aid to "establish obligations and expectations between actors, building the trustworthiness of the social environment, opening channels for information, and setting

norms that endorse particular forms of behaviour, while imposing sanctions on would-be free-riders” (Coleman, 1988, p. 102). These network elements highlight the relevance of the “level of trustworthiness in the environment and the actual extent of obligations held” (Coleman, 1990, p. 306). Coleman further asserts that reputation barely rises within an open structure and applying a restrictive sanction which ensures trustworthiness within the structure is often hard to implement (Coleman, 1988). For knowledge management purposes, the relevance of this dimension of social capital is creating the social fabric of a firm which requires bounded networks. Therefore, firms with weak ties would struggle to establish these norms (Granovetter, 1982; Putnam, 2000).

Information Channels: This form of social capital facilitates purposeful action. The relevance of this dimension of social capital hinges on its ability to provide both contextual and current information which facilitates knowledge management (Manning, 2010). This dimension of social capital facilitates the development of tacit knowledge (experiential, skill based and challenging to codify) (Manning, 2010). Further, this dimension of social capital highlights the relevance of social relations to social capital, considering that they provide “the potential for information that inheres in social relations” (Coleman, 1990, p. 310). Hence, it requires regular and constant nurturing (Cohen *et al.*, 2001).

Norms and effective channels: According to Coleman (1988), this dimension of social capital is “important in overcoming the public good problem that exists in collectives” (p. 26). The public good problem is balancing social actors’ interests and those of the group, also called the ‘collective action problem’. This focuses on how to enforce specific behaviours and norms that would discourage ‘free-loading’ (Manning, 2010). This is often accomplished when social actors forgo their personal interests (as a result of shared outcomes and guilt-induced conformity) to act on the group interest (Coleman, 1988).

Table 2.1: Dimensions of social capital

Authors	Social Capital Perspective	Dimensional of Social capital		
Putnam	Network Perspective	Bonding social capital	Binding social capital	Linking social capital
Bourdieu	Structural Perspective	Structural social capital	Relational social capital	Cognitive social capital
Coleman	Functional Perspective	Obligations, Expectations, Trustworthiness	Information channels	Norms and effective channels

Source: Author (Bourdieu, 1986; Coleman, 1988; Nahapiet and Ghoshal, 1998; Putnam, 2000; Woolcock, 2001).

2.4 Social Capital in Other Contexts

2.4.1 Guanxi

According to Chen and Chen (2004), Guanxi is “an indigenous Chinese construct defined as an informal particularistic personal connection between two individuals who are bounded by an implicit psychological contract to follow the norm of Guanxi, such as maintaining a long-term relationship, mutual commitment, loyalty and obligation” (p. 306). Guanxi (‘personal connections’) is a critical element of different kinds of interpersonal relationships in Chinese culture, which has been recognised as an essential condition in successfully doing business in China (Chen and Chen, 2004).

Guanxi is specifically powerful when these interactions are characterized by mutual trust developed through a consistent process of self-disclosure, reciprocity and long-term equity principles (Park and Luo, 2001; Chen and Chen, 2004). Disregarding this commitment can negatively impact the social reputation of the individuals involved, thereby triggering an

embarrassing loss of prestige or what is referred to as 'face' (*Mianzi*) (Luo, 1997; Park and Luo, 2001).

Chinese firms develop Guanxi as a strategic mechanism for gaining access to important resources by collaborating and trading favours with competitive forces and government authorities (Park and Luo, 2001). Guanxi has been a pervasive element in the Chinese business terrain, binding millions of businesses in a social and business web, such that no business can thrive without it (Campbell, 1987; Shenkar, 1990). Chinese firms mitigate institutional limitations, structural weaknesses and threats in the environment by deploying Guanxi (Luo, 1997). Guanxi is supported by three key principles. Firstly, transferability of Guanxi implies that it can be passed to a new recipient (that is, from A to C), especially when there is a connector in the middle (that is, B). The degree of the transferability is determined by the strength of the ties of A and C to B.

Secondly, Guanxi is reciprocal. Failure to return a favour implies that an individual would be perceived as untrustworthy and as someone who does not follow the rules of reciprocity (Alston, 1989). Thirdly, Guanxi is intangible. The duration of the value individuals or members of a network derive from Guanxi depends on their commitment to Guanxi and to one another.

Contrary to western networks, which often return favours that are commensurate to what was received (Powell, 1990), Guanxi often connects individuals across uneven positions. Individuals sometimes request for special favours without an equivalent level of reciprocal obligation. Moreover, Guanxi relationships are often described as making positive contributions to Chinese societies (Xin and Pearce, 1996); however, evidence depicts that it facilitates nepotism and corruption (Dunfee and Warren, 2001).

2.4.2 Wasta

Wasta ('going in between') is a prominent practice in many Arab countries. This refers to the accomplishment of goals through the connections one possesses with key relationships,

especially high status ones. The relationships are personalitic, strategic and often stem from family and close friends (Cunningham and Sarayrah, 1993). Hence, they are often close ties (Granovetter, 1982).

This concept is so embedded in the Arab culture that it influences everyday transactions. For instance, according to El-said and McDonald (2001, p. 77), “everything, no matter how simple it is, requires a Wasta in Jordan”. In Kuwait, the reliance on Wasta is pervasive (Ali and Al-Kazemi, 2006). Further, in Arab countries located in North Africa (former French colonies such as Tunisia, Algeria and Morocco), Wasta is described as ‘*Ma’arifa*’ which translates ‘who you know’ or ‘*piston*’ (from the French language) which translates to ‘pulling strings’ (Yahiaoui and Zoubir, 2006).

Mellahi and Wood (2000) discovered that most jobs in Algeria were being filled through connections with friends rather than family. This implies that just as Chen *et al.* (2004) discovered for Guanxi, the types of relationship on which Wasta rests may be changing.

Although Wasta is believed to provide social value in giving “...individuals a sense of belonging to a social entity that provides unconditional acceptance, and assistance to the novice in solving problems that are commonplace to someone more experienced. These functions are positive for the individual and for society” (Cunningham and Sarayrah, 1993, p. 191). However, it is often perceived as facilitating corruption.

2.4.3 Ubuntu

Ubuntu is a concept of human interdependence which states that “if we [are] to be human, we need to recognize the genuine otherness of our fellow citizens” (Louw, 2002, p. 8). It provides a powerful context for making sense of the paradox of individual and community in dynamic and interdependent tension. This is because one of the critical elements of the sub-Saharan African culture is their non-individualistic trait. “Although African cultures display awesome diversity, they also show remarkable similarities. Community is the cornerstone in African

thought and life” (Mbigi, 2005a, p. 75). An African is perceived through the communal lens rather than an individualistic one (Lutz, 2009).

Mbiti (1969, pp. 108–109) captured the concept of Ubuntu as “I am, because we are; and since we are, therefore I am.” On the other hand, Turaki (2006, p. 36) puts it as “people are not individuals, living in a state of independence, but part of a community, living in relationships and interdependence.” This resonates with other studies which have found that networks influence an individual’s recruitment (Petersen *et al.*, 2000) and increase mobility between firms (Bagdadli *et al.*, 2003; Granovetter, 1995).

Further, the Ubuntu effect of “caring, dignity and respect” (Poovan *et al.*, 2006, p. 17) is created in the social capital activities of family-owned businesses. This is especially visible when they (family-owned businesses) get involved in and empathetically engage with their communities in a problem-solving role and shared identity (Lester and Canella, 2006). Jones *et al.* (2001, pp. 7–8) compared the social capital activities of businesses to Ubuntu.

As social capital describes “the combined social practices, networks and partnership of businesses within the social context that such businesses operate; establishing norms and generating action towards societal needs” (Karakoulaki, 2002, pp. 3), the next section further reviews social capital.

2.5 Review of Social Capital Theory

Although the three main scholars on social capital have few similarities regarding their conception of social capital, such as the benefits of social capital to an individual and organisations, in terms of access to resources (Bourdieu, 1986; Coleman, 1988, 1990; Putnam, 2000), they differ in a number of ways. The view of Coleman (1988) is that social capital is a tool that advances common good (Coleman, 1988; Portes, 2014) disagrees with Bourdieu (1986) that it can be a tool individuals utilize in enhancing their personal status and power within their community. Moreover, to support Coleman’s view, many theorists (Nahapiet and Ghoshal, 1998; Cooke and Wills, 1999; Lorenzen, 2007; Wei *et al.*, 2011; Kim *et al.*, 2013;

Filieri and Alguezaui, 2014; Masiello *et al.*, 2015) found social capital to be relevant to organisations, not-for-profit-firms, and MNCs, rather than individuals.

Further, Bourdieu (1986) asserts, contrary to Putnam, that social structures, which Putnam referred to as social network (Putnam, 2000), benefit their members more than their original creators. The literature further suggests that Coleman's, Bourdieu's and Putnam's perspectives of social capital differ in their composition; for instance, Coleman (1988) described it as a resource for action, while Bourdieu (1986) described it as a tool for advancing oneself in the society, whereas Putnam (1995) described it as networks, norms and social trust that enhances the harmonization and cooperation which benefits everyone.

Additionally, the authors did not define social capital from the same paradigm. Coleman (1988), for instance, defined social capital from a functional stance, asserting that it is defined by its function, as a matter of fact, it is the combination of a series of entities (Coleman, 1988). Defining social capital from this perspective is tautologous, because for social capital to be what it is, it has to work in practice (Lin, 2001). This perspective influenced his development of the three forms of social capital, which he tagged obligations (i.e. debt owed a benefactor in anticipation for future favour), expectations (i.e. anticipation, especially of reciprocity) and information channels and social norms.

Coleman's definition of social capital was framed from a pragmatic perspective. However, this definition did not address the structural aspect of social capital, which was highlighted by Nahapiet and Ghoshal (1998). In their extension of Bourdieu's concept of social capital Nahapiet and Ghoshal (1998) divided social capital into three dimensions, which include structural, relational and cognitive social capital. They assert that social capital provides opportunities to a privileged few at the top of the social hierarchy, which is often a means of holding onto their positions (Bourdieu, 1986). This is often achieved through network closure (Lin, 2001).

Putnam (2000) perspective of social capital differs from Nahapiet and Ghoshal (1998) view. He offered his definition from a network perspective focusing on networks as the key resources and channel of norms and trust which facilitate the collaborative action of actors toward shared goals (Putnam, 1995). Hence, Putnam described social capital in the same category as the societal infrastructure and legal framework required for a successful business environment (Spence *et al.*, 2003). In other words, investing in social capital should be adopted as a corporate business strategy (Meister and Lueth, 2001).

Contrary to Nahapiet and Ghoshal (1998) structural perspective of social capital, Coleman gave a more functional definition and a clearer understanding of the structures conducive to social capital. However, he failed to conceptualise these structures and relationships within the context of a broader socio-economic history (Coleman, 1988; Portes, 1998; Foley and Edwards, 1999; Morrow, 1999).

Social capital is often presented to facilitate resources (Barney, 1991, 2001), knowledge transfer during interactions between individuals (Nahapiet and Ghoshal, 1998; Yli-Renko *et al.*, 2001). However, it is not often as appealing as has been presented by the leading proponents on the theory (Bourdieu, 1986; Coleman, 1988; Putnam, 2000; Putnam *et al.*, 2004), as several authors posit the theory does have its downsides.

According to Waldinger (1995), the particularistic benefits (social and economic) accumulating to some individuals, e.g. managers, as a result of their membership in specific ethnic or religious communities is often perceived and experienced by non-members as exclusion from accessing the same. Similar results were found in Nigeria, where tight co-ethnic bonds create the best opportunities, allowing jobs flow to members of a particular in-group or ethnic group to the exclusion of other ethnic groups (Odunsi, 2015). This implies that the mortality rate can potentially rise, despite the fact that they belong to a network where they should be able to access relevant knowledge. Hence, situations like these often require interventions from an

impersonal agency to disconnect the strong holds of these bonds, thus enabling access to opportunities (Portes and Sensenbrenner, 1993).

Additionally, network norms and strong ties existing between managers can lead to social liability (Gargiulo and Benassi, 1999). This is often due to the pressure it places on them, limiting their abilities to make specific adjustments to their task environment (Gargiulo and Benassi, 1999). A phenomenon influenced by the mutual obligation of members of the network (Leana and Van Buren, 1999), further, social capital negatively impacts society by creating an enabling environment for vices, such as crime and corruption (Gambetta, 1988; Fukuyama and Garavana, 1999).

2.5.1 Social capital as a facilitator of entrepreneurship

Early research in entrepreneurship viewed the entrepreneur as an isolated individual. This raised a number of questions: why (1) entrepreneurs were perceived in isolation, and (2) the process of entrepreneurship was not linked to other aspects of social phenomenal. This led to research focusing on examining “the causes and consequences of embeddedness in the entrepreneurial process” (Hoang and Antoncic, 2003, p. 167). This concept was succinctly captured by Zimmer and Aldrich (1986), “which views entrepreneurship as embedded in networks of continuing social relations” (p. 8). This is particularly true for operating within the harsh realities of dynamic business terrains. This leads to high mortality rate, as about one-third of new SMEs do not survive the third year and an alarming 60% do not survive the seventh year in business (Agarwal, 1997, Ihua, 2009).

SMEs are often in short supply of relevant resources and knowledge, which they require to compete effectively (Pradhan, 2011). This is particularly the case in developing countries like Nigeria where established formal institutions are either too weak to support, or generally inadequate or non-existent (Harbeson, 1995). Hence, managers are often forced to depend on informal structures (Foss, 2007) such as relational social capital (Bourdieu, 1986) to

augment and supply the relevant resources and knowledge needed to compete effectively (Barney, 1991, 2001).

Social capital is a relational tool that plays a critical role by facilitating interaction within entrepreneurial networks (Anderson and Jack, 2002). It is perceived as the glue that binds to create a network (e.g. entrepreneurial), as well as the lubricant that facilitates and strengthens network interaction (Powell and Smith-Doerr, 1994). This is particularly relevant to entrepreneurship which is perceived as a process inherently connected to the dynamic socio-environment where opportunities emerge (Schumpeter, 1934). It is thus argued that entrepreneurs who build social networks are better positioned to recognize, evaluate and utilize opportunities, therefore enabling them to gain better outcome while competing better (Shane and Venkataraman, 2000; Adler and Kwon, 2002). There is still an on-going debate as regards the type of social interactions most congenial for entrepreneurial success. However, considering that competition is embedded in social structure, entrepreneurs who connect 'structural holes' are better positioned to access information emanating from non-familiar interactions (Burt, 1992).

Social capital is often accessed when managers build alliances through building mutual trust and familiarity (Granovetter; 1982; Putnam, 1993; Nahapiet, 1998; Jennings and Sanchez-Pages, 2017) which often influences the level of economic exchanges (Gambetta, 1988; Fukuyama, 1995; Dibben, 2000; Hawlitschek, *et al.*, 2016). This notwithstanding, when firms interact too closely with each other because they belong to the same network, they can become extremely dependent on each other. Hence, isolating themselves from outside the network, thereby limiting innovation and entrepreneurship due to social capital (Valdaliso *et al.*, 2011).

2.5.2 Social capital and networks

Scholars exploring the nature of inter-firm relationships pay special attention to how companies are socially integrated into a network of relationships that involve a set of different organisational actors (Inkpen and Tsang, 2005). This highlights the relevance of social capital as an underpinning concept for describing and characterizing an organisation's set of relationships (Inkpen and Tsang, 2005; Hau *et al.*, 2013).

Bourdieu defined social capital as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (Portes, 1998, p. 248). This was the first systematic analysis of the concept (Portes, 1998). However, further development of social capital by specific scholars (Coleman, 1988; Burt, 1992; Portes, 1998) led to the consensus that social capital facilitates network actors' ability to enjoy specific benefits as members of the social network (Portes, 1998). These benefits include access to rare and privileged knowledge, goodwill, influence and improved understanding of network norms.

Podolny and Page (1998) define a network as “a form of organisation as any collection of actors ($n > 2$) that pursue repeated, enduring exchange relations with one another and, at the same time, lack a legitimate organisational authority to arbitrate and resolve disputes that may arise during the exchange” (p. 59). In this context, a network implies a diversity of elements, which include intra-corporate business units, strategic associations, various groups of businesses, franchises, buyer–seller relationships, technology programmes supported by the government, etc.

Inter-organisational ties: These networks not only provide stability for their member firms, they are also of strategic relevance (Gulati *et al.*, 2000). The structured–unstructured dimension represents the extent to which network governance is structured. In a structured

network, members' roles and relationships are clearly defined, and members are well organized to achieve certain goals. The reverse is true for an unstructured network. A challenge in studying networks is adequately specifying the boundaries of the networks (Gulati, 1995).

Intra-corporate network: This consists of a group of organisations operating under a unified corporate identity, with the headquarters of the network having controlling ownership interest in its subsidiaries. According to Ghoshal and Bartlett (1990), an intra-corporate network is an inter-organisational grouping, rather than a unitary organisation, because valuable insights on the internal structures and operations of such an entity can be gained from network-related concepts used for investigating inter-organisational phenomena.

2.5.3 Social capital as a facilitator of referrals

A referral is received by firms when a third party makes a recommendation to a previously unknown customer or business, which often generates additional business opportunities, resources or knowledge (Chollet *et al.*, 2014). Although research shows that all types of firms benefit from referrals (Provan, 1984; Money *et al.*, 1998; Kumar *et al.*, 2010), SMEs should prioritize this way of getting customers and knowledge (Chollet *et al.*, 2014).

First, SMEs often experience resource constraints, making searching for new customers and markets challenging. Moreover, positive word of mouth and recommendations have been found to be cost-effective (Trusov, Bucklin, and Pauwels 2009; Villanueva, Yoo, and Hanssens 2008) owing to the fact that they can occur without SMEs directly expending resources to drive them. Second, building a brand is particularly daunting for SMEs because in comparison to larger firms, they often have lower profiles coupled with the small size of their operations (Goldberg *et al.*, 2003). As a result, awareness of an SME's products and services is often limited, making it daunting for potential customers to access them. Hence, third-party recommendations improve SMEs' chances and prominence, which positions them better in front of their customers as a trustworthy supplier (Le and Nguyen 2009; Seevers, Skinner, and Dahlstrom, 2010).

Moreover, myriads of studies of small businesses suggest that one key source for either directly or indirectly accessing business referrals is SME managers' relationships (Chollet et al., 2014). In other words, SME managers with strong ties and structural holes in their personal networks are able to access business advantages, such as more positive word of mouth and therefore, more business referrals (Chollet et al., 2014). This implies that SME managers are able to take advantage of business referrals when they are able to circulate information far beyond their inner circle (structural holes), coupled with their ability to motivate others to do the same (strong ties). However, considering that every SME manager understands, reacts and interacts with the environment in a unique way (Becherer and Maurer, 1999; Ciavarella et al., 2004; Covin and Slevin, 1989), research reveals that an SME manager's personal characteristics determine how to benefit from their social capital (Chollet et al., 2014).

2.5.4 Social capital and culture

The concept of social capital is embedded in individual attitudes, behaviour and inclination, which are key elements of culture, as it influences how people view and interpret their environment and carry out daily activities (Hofstede and Hofstede, 2001, Kirkman *et al.*, 2006). This is because most dimensions of traditional culture-social groups, such as clans, tribes, communal associations, religious groups, are often embedded in shared norms, which are deployed to accomplish common good.

Hence, culture is a critical part of social interaction (Coleman, 1990, Putnam, 1993, Fukuyama, 2001). This aligns with Hofstede (1980), definition of culture which states it is "the collective programming of the mind which distinguished the members of one group or category of people from another". Three major assumptions could be drawn from this definition: the first is that, how members of a particular group (in-group) interact with each other is influenced by their norms. Second, how different groups (Out-groups) of people interact with each other is influenced by their unique perspectives developed overtime (programming). Third, these variances can be derived from various shared values (Kluckhohn and Strodtbeck, 1961,

Ambos *et al.*, 2016). This implies that the larger the cultural distance existing between different groups, the more challenging the development and maintenance of social capital is anticipated to be (Ramström, 2008).

Hofstede Cultural Model: Hofstede's comparative work on culture spans several national cultures. This sample size of Hofstede's research which was conducted within the subsidiary of IBM (an approach many described as narrow), grew from 40 to 53 national cultures. Hofstede *et al.* (1991; 2011), being one of the scholars who did extensive work on culture, defined it as "the collective programming of the mind distinguishing the members of one group or category of people from others" (Hofstede, 1980, p. 25).

Although, this cultural model, like others, have been criticised for different reasons, it was adopted as the most suitable for this research because of its alignment with the cultural context of Nigeria and the dimension of the social capital this study adopted, see **conceptual justification** below.

Critical evaluation

Hofstede's cultural model is generally perceived as helpful and relevant, especially as regards how national cultures of a particular country can influence the behaviours of managers and how these effects can further influence managerial performance (Mead and Liedholm, 1998). However, a few criticisms about Hofstede's cultural theory have been put forward by other scholars.

One of such criticisms is the generalizability of his research sample, considering that they were gathered from IBM (one multinational organization). Researchers critiqued the practice of generalizing the IBM's culture to other cultures (Obeidat *et al.*, 2012). Ferner (1997), perceives Hofstede's approach to culture as static, rather than dynamic, in the sense that national culture is the property of nations. He recommended that this approach be handled with caution. This aligns with Schmidt (1992) point of view that the French's management style

has evolved from a bureaucratic and authoritarian style to a more dynamic and decentralised style.

Researchers assert Hofstede's original career in marketing and service department may have influenced his result of his study, considering that it only highlights specific subcultures within the organization, as against the entire organization (Smith, 1992, Smith *et al.*, 1996, Mcsweeney, 2002). More so, Hofstede's respondents were predominantly male, an element which may have influenced his study (McSweeney 2002, Merker, 1982).

Hofstede's data presents values as the determinant of behaviour, however, his dimension were rather too narrow, as they only focused on work-based values, which are not necessarily the same with national ones, (Triandis, 1988). Triandis (1988) went further to recommend that a multi-method research design be used to gather data about such a complex phenomenon as culture, rather than a single one (questionnaire) which was utilized by Hofstede.

According to Smith *et al.* (1996) and Søndergaard (1994), considering that culture is dynamic, relying on the data that was gathered between 1968 and 1973 may imply relying on an outdated data.

However, this criticism was refuted by researchers whose studies arrived at the same outcome in these contemporary times. For instance, the study conducted by Smith *et al.* (1996), in business organisations around 43 countries of the world aligned with two of Hofstede's cultural dimensions (Individualism and Power distance). Further, the same dimensions were arrived at by Tayeb (1988), who examined British and Iranian organisations by utilizing Hofstede's IBM questions. Williamson (2002), also asserts that Hofstede's cultural model can shed light on "relative, not absolute, measures of cultural values" (p. 1,388). This is because organizational cultures, coupled with country culture, can replicate national culture.

More so, Hofstede's study made available a repertoire of data which highlighted that national culture limits rationality in organizational behaviour, management ideologies and practices.

However, there were no substantial empirical data available to support this claim. Today, few

managers with international experience will refute the relevance of culture in international business (Minkov, and Hofstede, 2011).

Hofstede went to a great length to construct his cultural dimension in a manner that effectively highlights and addresses fundamental problems that all societies regularly deal with (Minkov, and Hofstede, 2011).

Hofstede in his pioneering study on national culture developed four major categories, or dimensions, as he called them. These dimensions include: power distance index, individualism vs collectivism, masculinity vs femininity and uncertainty avoidance. He went further to include two more dimensions, which he termed long-term vs short-term and indulgence vs restraint orientations. These dimensions as Hofstede (1980; 1991; Minkov, and Hofstede, 2011) defined them are presented below.

Power distance index: Power distance is defined as “the extent to which less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally” (Hofstede, 1991, p. 28). The basic focus here is how individuals in societies handle inequalities. The acceptance of a hierarchical societal structure where everyone has a place highlights a high level of power distance. Low power distance cultures emphasise equal power distribution.

Nigeria is a country with high power distance, which implies that the knowledge a manager of a Nigerian SME is able to access is determined by their social status or ‘connections’. This is similar to Nahapiet and Ghoshal (1998) concept of structural social capital which asserts that knowledge flows to an individual on the basis of their centrality in the network. This often applies undue pressure on managers of Nigerian SMEs, as they must channel their limited resources in pursuit of a higher position in the network to remain competitive.

Individualism/collectivism: This cultural dimension examines the extent to which individuals give themselves priority over the group. This highlights the degree to which individuals are

assimilated into groups. In individualistic cultures, the existing bonds between individuals are weak, as people focus on meeting their own needs and those of their nuclear family. In other words, in an individualistic culture, the needs and the demands of the individual is given more preference than that of the group (Hofstede *et al.*, 1991). On the other hand, in collectivist cultures, the bonds existing between individuals are strong, as they often look out for the needs of their extended family members (uncles, aunts, cousins, grandparents) as well. In other words, in a collectivist culture, the needs of the group is given priority and considered to be more important than that of the individual (Hofstede *et al.*, 1991). There is often a tight-knit group cohesion and “unquestioning loyalty”.

This implies that managers of Nigerian SMEs will only share knowledge with members of their network, close-knit group or community because of the cohesive nature of the network (Nahapiet and Ghoshal, 1998). This obviously will exclude other managers, even if they need the knowledge to survive. Additionally, there is a probability that the knowledge within the network may become obsolete over time because of it being close-knit (Granovetter, 1982; Putnam, 2000).

Masculinity/femininity: A masculine country like Nigeria places value on achievement, assertiveness, competition, material success (Hofstede *et al.*, 1991) etc, while those with a feminine culture often emphasize caring for the weak in their society, modesty, collaboration, quality of life and relationships (Hofstede *et al.*, 1991). Managers of Nigerian SMEs are highly driven, seeking knowledge, in order to improve business performance (Eniola and Ektebang, 2014).

Uncertainty avoidance: According to Hofstede *et al.* (1991), the uncertainty avoidance dimension implies the extent to which individuals in a particular culture feel vulnerable in unknown or unpredictable situations. In other words, this refers to the extent a society can tolerate uncertainty. It highlights the extent to which a society either feels secure or insecure in unstructured situations. These feelings are demonstrated through levels of anxiety and a

need for clearly defined (written and unwritten rules) codes of conduct. This drives SME managers to develop cohesive networks to protect their interest (Nahapiet and Ghoshal, 1998; Leonard, 2004). However, the drawback of this is that although cohesive networks are more trustworthy, they increase the possibility of the managers of Nigerian SMEs assisting each other on the basis of obligation and not mutual benefit (Nahapiet and Ghoshal, 1998; Filieri and Alguezaui, 2014).

Long-term vs short-term orientation (LTO): This dimension, which became Hofstede's fifth orientation, was originally discovered by Bond based on his studies of students in 23 countries (Hofstede, G. 1991). It is defined as the inclination to prioritise the long-term consequences and effect of decisions and actions that are material after an extended duration. When a society is short-term orientated, it would be preoccupied with the establishment of absolute truth, thereby prioritising respect for traditions, a low drive to save and prepare for the future.

On the other hand, in societies with long-term orientation, it is considered that truth is based on elements such as situations, context and time. There is often a high inclination to adapt traditions to certain changes. More so, there is a high tendency to save and prepare for the future, coupled with a determination to produce results.

Indulgence versus restraint (IND): This dimension refers to a society which enables a considerable free gratification of fundamental and natural human drives associated to enjoying life and having fun. Restraint refers to a society that suppresses gratification of needs and regulates them by means of strict social norms (Minkov, and Hofstede, 2011).

Conceptual justification

The link between social capital and culture was captured in a key aspect of literature. The social capital perspective by Bourdieu, which was adopted in this study, defined it as the "aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition"

(Bourdieu, 1986, p. 248). These resources (collectively owned capital), which are often embedded within the social interactions between individuals (Coleman, 1990; Lane and Lubatkin, 1998; Noorderhaven and Harzing, 2008; Hunter and Lean, 2014; Nahapiet, 2015), are perceived in the forms of gratitude and trust, and guaranteed through individual memberships to a certain class or group (Bourdieu, 1986).

According to Nahapiet and Ghoshal (1998), the structural dimension of social capital is the “impersonal configuration of linkages between people or units” (p. 244). Its key aspects include the existence and non-existence of network ties between actors (Wasserman and Faust, 1994; Scott and Carrington, 2011); network configuration (Krackhardt, 1994) describing the configuration of linkages as regards yardsticks, such as density, connectivity, and hierarchy and the deployment of networks created for a specific use to other uses (Coleman, 1988). However, this section of the research focuses on hierarchy, which is a critical aspect of power distance as elucidated by (Hofstede and Hofstede, 2001) which captures the **cultural context of Nigeria**.

The **concept of hierarchy** is also reflected in perspective as structural social capital involves the social and network relations that determine the individuals who can interrelate and how these interrelations can be accomplished (Burt, 1992; Chow and Chan, 2008). This implies that networks, just as in a collectivist culture such as Nigeria, are not accessible to everyone (Hofstede and Hofstede, 2001; Putnam, 2001). Hence, the reason managers possessing social capital enjoy higher returns on their human capital is because their position helps them identify, access and develop beneficial opportunities (Burt, 1997). In Nigeria, for instance, the resources or knowledge that flow to an SME manager is determined by the network they belong to, coupled with the place they occupy in the network. This is influenced by the hierarchical structure and the acceptance of the unequal distribution of power in society, which was described by Hofstede *et al.* (1991) as power distance.

Additionally, the normative beliefs, a key element of cognitive social capital held in a particular region, cannot be divorced from the national context (Veiga *et al.*, 2000; Hofstede, 2001), which encapsulates the bulk of Hofstede's work on the importance of culture to organisations. This is due to the fact that the value system shared in a society shapes the behaviours within it, hence it cannot be separated from the world views of the people in that society (Hofstede, 1997). Therefore, culture impacts on knowledge transfer, particularly within collaborative firms, because of the contextual differences existing between the partners (Gupta and Govindarajan, 2000; Hutchings and Michailova, 2004; Voelpel and Han, 2005). This is due to the way corporate and ethnic backgrounds impact on people's paradigms of what should count as knowledge when dealing with collaborative relationships (Taylor and Osland, 2003).

Nigeria is a collectivist country with an individualism score of 30; SME managers define themselves from a 'we', rather than 'I', world view. This implies that they perceive themselves as a member of a group with a high level of interdependency (Hofstede and Hofstede, 2001). In collectivist countries, loyalty is valued and the needs of the group are given priority over those of individuals, and people are expected to look after the best interest of their in-group (Hofstede, 1997). Hence, these relationships are often laced with high-level trust, a core element of **relational social capital**, which eventually facilitates the transfer of relevant and valuable knowledge (Granovetter, 1982; Putnam, 2000; Granovetter, 2005).

Relational social capital facilitates the transfer of tacit knowledge between managers of SMEs for many reasons. 1. This type of knowledge is of a tacit, subtle, contextual nature and difficult to verify; hence network actors would rather deal with someone they know and trust. 2. There is a high level of sanction within the network. 3. There is a high possibility for reciprocity within the network as free-riding is often strongly discouraged. The challenge with this type of network is that as it expands, it loses its ability to effectively sanction and enforce norms (Granovetter, 2005). Therefore, some opt to stay small and close-knit, thereby limiting their access to new and innovative knowledge (Putnam, 2000).

2.5.5 Social capital and knowledge transfer

The social capital perspective by Bourdieu, that was adopted for this study, defined it as the “aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu, 1986, p. 248). These resources (collectively owned capital) which are often embedded within the social interactions between individuals (Coleman, 1990; Lane and Lubatkin, 1998; Noorderhaven and Harzing, 2008; Hunter and Lean, 2014; Nahapiet, 2015) are perceived in the form of gratitude and trust, and guaranteed through individual memberships to a certain class or group (Bourdieu, 1986).

This research adopted Nahapiet and Ghoshal (1998) concept of social capital, which is an extension of Bourdieu (1986) dimension of social capital. According to Nahapiet and Ghoshal (1998), there are three dimensions of social capital, which include structural, relational and cognitive social capital. The structural dimension of social capital is pivotal to the relational and cognitive dimensions (Alguezaui and Filieri, 2010). Alguezaui and Filieri (2010), assert that the frequency of interaction between members of a network, such as managers of SMEs, would increase the atmosphere of mutual trust and commitment (relational capital), which in turn would trigger the development of common values and language required to transfer tacit knowledge (cognitive dimension). This argument appears plausible; however, the logic seems flawed because before members of a network can embark on a regular interaction, what Granovetter, (1982) describes as strong ties, they must share common language and interests (Nahapiet and Ghoshal, 1998).

In other words, before managers of SMEs would interact regularly through the available network (structural social capital), there often would have been existing common interest and language (Nahapiet and Ghoshal, 1998). This explains why Ouchi (1980) pointed out that “common values and beliefs provide the harmony of interests that erase the possibility of opportunistic behaviour” (p. 138). Hence, cognitive social capital precedes relational social capital before structural social capital. Since this study aims to explore knowledge transfer

within the context of the Nigerian SME managers, it would be expedient to review the relevant theories of the firm.

Theory of the firm

Theories of the firm provide contexts for understanding the firm. These theories address specific questions: why are businesses organized within firms? Why do firms exist? What elements influence the range and size of the firm? What roles do the firm and its managers perform (Lozano and Huisinigh, 2015)? To address these questions, a number of theories explaining the firm have been developed over many decades. Seth and Thomas (1994) approached the debate differently by emphasising that each theory of the firm contains not just a systematically consistent network of perspectives and assumptions of the firm, but also about what motivates and influences the behaviours of managers. Hence, within the context of the study aim, which is to explore the role of social capital in knowledge transfer among Nigerian SME managers, relevant views of the firm would be examined in the next section.

Resource-Based View: The resource-based view of the firm opines that firms are able to sustain their competitive advantage by gaining access to rare and unique capabilities and resources (Becker and Huselid, 1998; Nahapiet and Ghoshal, 1998). It argues that, provided that they are scarce and relevant to the firm, causally ambiguous and socially complex, resources are strategically the most important sources of a firm's competitive advantage (Zonooz *et al.*, 2011).

The resource-based view of the firm developed in response to particular limitations to economic theory of the firm, which highlights that a firm's strategic performance is mainly based on the industry structure, i.e. the competitive environment, technological, sociological and environmental context (Von Krogh and Grand 2002). It asserts that the strategic performance of a firm is connected to the type of inputs (resources and capabilities) it has access to and how it deploys them (Dierickx and Cool, 1989; Grant, 1991; Peteraf, 1993). These valuable capabilities and resources are difficult to replicate and transfer, hence they enable the firm to generate superior returns. The resource-based view perceives the firms through a unique lens - as a combination of valuable resources.

Hence, managers must prioritise the optimal utilization of present resources and capabilities and the expansion of future ones (Grant, 1996; Barney, 2001). These bundles of resources include every element that facilitates the firm's efficiency and strategy implementation (Olavarrieta, 1996). Moreover, these resources, tangible or intangible (Hall, 1992), which are either developed within the firm or in the market, are often connected to the firm at a particular point in time (Wernerfeldt, 1984, in Von Krogh and Grant 2002). On the other hand, a capability is defined as "a firm's capacity to deploy its assets, tangible or intangible, to perform a task or activity to improve performance" (Maritan, 2001, p. 514). This corroborates with Ulrich and Lake's (1991, p.78) definition, which states that capability is "the firm's ability to manage people to gain competitive advantage".

However, considering that SMEs rarely have structured knowledge management systems (Hutchinson and Quintas, 2008), these capabilities are often lost/hindered when key staff members leave the firm or SME managers suffer ill-health (Joe *et al.*, 2013). The resource-based view of the firm was modified to the knowledge management (KM) field. According to Grant (1996), the key activity of the firm is the deployment of knowledge in the creation and improvement of products and services. In other words, a firm's capabilities are the outcome of knowledge integration. Von Krogh and Grand (2002) approached this debate from a different perspective by asserting that the key activity of the firm is knowledge creation.

Knowledge-Based View: The resource-based view gave rise to the knowledge-based view of the firm (Nieves *et al.*, 2014). The proponents of the theory (resource-based view of the firm) assert that competitive advantage is accomplished when a firm's capabilities and resources are difficult to imitate (Von Grogh and Grand, 2002). On the other hand, the knowledge-based view of the firm asserts that knowledge is one of the critical resources, because it is hard to replicate and therefore critical in accomplishing competitive advantage over other firms (Lubit, 2001). Moreover, a basic assumption of this theory is that knowledge

is the critical input in production and primary source of value, and innovates new products, services and processes (Grant, 1996; Ikujiro; Nonaka *et al.*, 2000).

However, this knowledge can be at risk/lost during employee turnover (Argote, 1999). One of the key elements highlighted by the knowledge-based view of the firm is the high cost managers incur when trying to arrive at a consensus decision, considering the challenges involved in communicating tacit knowledge (Grant, 1996). This explains why knowledge-based firms employ rules and directives to enhance knowledge integration between the various experts and decision makers in the firm (Grant, 1996).

Moreover, the knowledge-based view of the firm perceives a firm as a knowledge-generating institution, whose critical competitive advantage is in its ability to generate and utilize knowledge (Nonaka, 1991, 1994; Spender, 1996; Nahapiet and Ghoshal, 1998; Ikujiro; Nonaka *et al.*, 2000). The implication for having this knowledge environment is that SME managers must create a context in which employees at different levels become independent actors, take responsibility for their knowledge by exploring, making mistakes and learning to improve (Kogut and Zander, 1993; Spender, 1996). However, SME managers have limited resources which pose a challenge by hindering their ability to pursue multiple knowledge sources. Hence, relying on proven social structures, such as social capital, to access relevant knowledge is expedient (Perez-Araos *et al.*, 2007; Chollet *et al.*, 2014; Eniola and Ektebang, 2014). This highlights why some scholars view the firm as a relational entity.

Relational View: The relational view of the firm focuses on dyad/network routines and processes as a vital unit of analysis for comprehending competitive advantage. It demonstrates its value by presenting a framework that provides a theoretical platform for comprehending inter-organisational competitive advantage (Oliver, 1990).

Although complementary to the resource-based view, the relational view differs as regards the unit of analysis and sources of rent, coupled with the control and ownership of the sources of rent generation (Dyer and Singh, 1998). Moreover, it differs with regards to how firms should

behave to remain competitive. For instance, the resource-based view asserts that an individual firm should hoard and preserve its capabilities and resources, rather than share them to prevent knowledge spill-overs to the competition (Dyer and Singh, 1998). On the other hand, the relational view asserts that firms can consider systematically sharing valuable knowledge and capabilities with their alliance partners, which enables access to the knowledge existing in its alliance partners (Dyer and Singh, 1998; Nahapiet and Ghoshal, 1998). However, this strategy is only applicable when the value of the expected inflow of knowledge exceeds the projected loss of advantages due to potential knowledge spill-overs to competitors (Dyer and Singh, 1998).

A critical element of this view of the firm is the acknowledgement that valuable resources and capabilities exist outside the firm's boundaries (Dyer and Singh, 1998). Hence, firms which collaborate and combine their resources and capabilities are able to generate competitive advantage, compared to firms whose competitive strategy is based on a stand-alone approach (Dyer and Singh, 1998). Firms accomplish this when they leverage their partners' resources by combining them in new ways while making specific relationship investments. These specific relationships investments create relational values (rents) embedded within dyads/networks and which cannot be accessed in isolation (Dyer and Singh, 1998). In the relational view, complementary resources or capabilities of firms are regarded as a potential source of inter-organisational competitive advantage. However, one critical element which determines the level of knowledge, resources or capabilities a firm can assimilate is the absorptive capacity of the receiving firm. This is examined in the section below.

Absorptive capacity: It is not sufficient for firms to attempt to build competitive advantage by transferring knowledge or resources between each other; the recipient must be able to assimilate the knowledge or utilize the resources. Thus, a firm's ability to utilize external sources of knowledge is based on the knowledge recipient's absorptive capacity or previous knowledge (Dyer and Singh, 1998).

Cohen and Levinthal (1990) define absorptive capacity as “the ability of a firm to recognize the value of new, external information, assimilate it, and apply it to commercial ends” (p. 128). This highlights how firms can leverage on their partners to systematically participate in inter-organisational learning. Therefore, partner-specific absorptive capacity refers to the concept that a firm can develop to identify and integrate valuable knowledge from a specific alliance partner (Cohen and Levinthal, 1990; Dyer and Singh, 1998). This capacity facilitates the implementation of inter-organisation processes which enhance collaborating firms to methodically recognize valuable know-how, in order to transfer it across organisational boundaries (Cohen and Levinthal, 1990; Dyer and Singh, 1998). However, this is not automatic, as the capacity of a knowledge recipient to ‘unpack’ and absorb it largely depends on if there is an overlapping knowledge base with the knowledge source (Mowery *et al.*, 1996; Szulanski, 1996). Hence, considering the fact that in this research the knowledge transfer occurs within the SME context, it is expedient to explore SMEs in Nigeria. The next section discusses this.

2.6 Definition of Small and Medium Scale Enterprises (SMEs)

The definition of SMEs greatly differs in different countries and regions. This explains why most countries seem to have a different yardstick for ascertaining or grouping SMEs (Kushnir *et al.*, 2010). Hence, no universally accepted definition exists in the present literature; however, different classifications, such as the number of employees, total net assets and sales and investment, have been used to describe it. Over the last three decades, one of the most commonly used SME classifications has been the number of employees (Tilley and Tonge, 2003).

SMEs have been defined in many ways based on different benchmarks (Kushnir *et al.*, 2010). As a matter of fact, based on a World Bank report by the International Finance Corporation, new data was presented which showed that out of 132 economies that were surveyed, there

are about 125 million formal SMEs existing within these different economies, in addition to the 89 million in emerging markets (Kushnir *et al.*, 2010; Etuk *et al.*, 2014).

This raises a unique challenge of having a universally accepted definition of SMEs as factors, such as number of employees, revenue and the industry a firm operates within all influence the definition (Kushnir *et al.*, 2010; Etuk *et al.*, 2014). For instance, examining countries, such as China, an SME could be an enterprise with employees ranging from 1 to 3000 and with a total asset from ¥40 to 400 million coupled with an organisational revenue from ¥10 to 300 million, depending on the industry (Kushnir *et al.*, 2010).

The European Union considers an SME as an enterprise with up to 250 employees and turnover of no more than €50 million or a total balance sheet of no more than €43 million. On the other hand, the U.S. Small Business Administration (SBA) included everything from one-individual mini-industries to businesses with about 1,500 or more in its workforce, although the majority fall within the 500-employee mark (SBA, n.d.). Developing economies, such as Nigeria, define SMEs as any business having fewer than 250 employees in its workforce (Kushnir *et al.*, 2010; Etuk *et al.*, 2014; Gbandi and Amissah, 2014).

Although different countries have slightly varied definition of SMEs, they all agree on the significant economic role they play, considering that organizing new business organisations has proven to be invaluable because of the rapid transformation and the healthy competition it often introduces to the business environment (Hong and Daly, 2005; Fatoki, 2014). In fact, research shows that SMEs provide over 90% of the available employment opportunities in the manufacturing sector and are also responsible for a cumulative 70% of the employment created annually (Roxas, 2008; Eniola and Ektebang, 2014; Gbandi and Amissah, 2014). However, for the purpose of this research, the definition of an SME as a business enterprise with less than 250 employees in its employment is adopted (Kushnir *et al.*, 2010; Etuk *et al.*, 2014; Gbandi and Amissah, 2014).

2.6.1 SMEs as determinant of economic growth

SMEs have been recorded to boost economic activities by triggering competition, stimulating intensive research and development, while challenging existing companies to improve their corporate efficiency, upgrade their technological competencies, recruit new skills, etc (Hong and Daly, 2005; Ritchie and Brindley, 2005). SMEs have demonstrated their ability to boost countries' gross domestic product (Bruce *et al.*, 2009), thereby cumulatively adding value to the local economy in the long term. A lot of these impacts and changes are often noticed in developing economies such as Nigeria. For instance, according to The World Bank (2015), formal SME employment's contribution to job creation is up to 45% and up to 33% in national income (GDP); this, of course, would be astronomical when the informal SMEs are added to the figures. As a matter of fact, in the next 15 years, a projected figure of 600 million jobs would be needed in the global market to assimilate the growing universal workforce in Asia and Sub-Saharan Africa (Bank, 2015).

As a result of this, many countries are constantly putting in place measures, policies and procedures to enhance SME growth.

2.6.2 Inadequate resources in SMEs

SMEs play a significant role in generating employment, driving innovative transformation and growth, while enjoying support from both local and international organisations (Ritchie and Brindley, 2005; Wehinger, 2014). However, this does not insulate them from the harsh realities of dynamic business terrains, which often leads to the high mortality rate of SMEs, as about one-third of new SMEs do not survive the third year and an alarming 60% do not survive the seventh year in business (Agarwal, 1997, Ihua, 2009).

This is often a resultant effect of the inadequacy of relevant resources (Barney, 1991; 2001; 2012), knowledge, abilities (Ritchie and Brindley, 2005) and social capital (Lin *et al.*, 2001; Spence *et al.*, 2003; Uhlaner *et al.*, 2011) often relied upon by SMEs to survive. As a matter of fact, SMEs have to be strategic in their allocation of their limited resources (Meuleman and De Maeseneire, 2012). However, literature depicts a movement away from the conventional

factors of production, such as land, labour, capital and entrepreneurship, and these are now subordinate and acquiring them is relatively easy, as long as relevant knowledge is accessible (Drucker, 1993), because possessing relevant knowledge is a critical competitive advantage (Teece, 2000; Zonooz *et al.*, 2011; Hunter and Lean, 2014).

2.6.3 Relevance of knowledge transfer in SMEs in Nigeria

Knowledge has emerged as the key source of long-term competitive advantage for organisations, especially SMEs (Lyles and Salk, 1996; Spender and Grant, 1996; Argote and Ingram, 2000; Teece, 2000; Tsai, 2001; Hunter and Lean, 2014), enabling them to develop superior customer experience through differentiated products/services and sometimes lower cost in comparison to their competitors (Bharadwaj *et al.*, 1993). This is because knowledge-based resources which are often difficult for the competition to duplicate (a process that often leads to the erosion of these unique advantages), helps SMEs retain their competitive advantage, considering the high mortality rate within the SME sector (Barney, 1991; 2001). However, this type of knowledge (tacit) which is often difficult to duplicate, has been reported to be sticky and challenging to transfer from one organisation to another; in other words, knowledge transfer is not often as smooth as it seems (Govindarajan, 2000; Szulanski *et al.*, 2004).

Knowledge stickiness is often caused by factors such as the nature of the knowledge, the context of the knowledge, the recipient, and sender of the knowledge: these all contribute to the stickiness factor (Hippel, 1994; Szulanski *et al.*, 2004). This confirms Granovetter's (1973, 1982) assertion that strong ties aid the transfer of complex and sticky knowledge. However, strong ties are unlikely to help SMEs obtain important and novel information, considering the fact that they are only bridging ties which are often weak ties (Granovetter, 1973; Borgatti and Halgin, 2011). These bridging ties are important for SMEs because a large part of the relevant knowledge they require to remain competitive is external, sometimes within other SMEs, or their business environment etc (Daft *et al.*, 1988; Chen *et al.*, 2006). The motivation behind SMEs connecting with other SMEs can be traced to the fact that SMEs have unique

characteristics which differentiate them from MNCs, such as high mortality rate, adaptability, competence deficiency, limited market power, competition's behaviour etc (Deakins, 1999; Duan *et al.*, 2001).

Hence, they tend to leverage on social interactions and engage with other SMEs in order to aid the process of knowledge transfer (Tsai and Ghoshal, 1998; Chen *et al.*, 2006; Ramström, 2008) based on the fact that knowledge is embedded in individuals and organisational processes (Mansfield, 1985; Argote *et al.*, 2000; Ipe, 2003). However, considering the limited resources of SMEs, they may not be keen on seeking all knowledge nor take part in all knowledge transfer activities, unless this specific knowledge has been proven to be strategic to their business interest (Chen *et al.*, 2006).

Developing economies such as Nigeria often have high need for knowledge transfer because of the limited level in knowledge supply, as some of the institutions managing the creation and transfer of knowledge are underdeveloped (Lyles and Salk, 1996; Luo and Peng, 1999; Lane *et al.*, 2001). This poses a huge challenge, considering the fact that Nigeria has emerged as the largest economy in Africa (BBC, 2015). According to the National Planning Commission of Nigeria, statistics depict that Nigeria is on its way to achieving its Vision 2020. This would enable it improve the rate of economic growth by transforming from an economy based on manufacturing to a knowledge-based one, in order to be among the leading economies of the world in the year 2020 (Okorafor and Ebiringa, 2010; Ebiringa, 2011). This transformation is often credited to the role of SMEs in the economy (Eniola and Ektebang, 2014; Etuk *et al.*, 2014; Fatoki, 2014).

The economic growth recorded within many countries is often linked to unique SME characteristics such as vibrancy, resourcefulness and capacity for risk-taking (Wiele and Brown, 1998). This explains why entrepreneurial development is critical in developing nations such as Nigeria with an economy that is largely dependent on crude oil coupled with economic

challenges such as poor level of agricultural production, astronomical inflation and unemployment rate (Muritala *et al.*, 2012; Fatoki, 2014).

Hence, SMEs play critical roles in the economy by creating opportunities for the utilization, development and promotion of locally manufactured resources (Lee, *et al.*, 2016), thereby minimizing the level of unemployment in the country (Levy, 1993). As a matter of fact, Levy (1993) asserts that SME impacts also include minimization of rural-urban migration, and improvement of the standards of living of rural inhabitants. Considering the fact that knowledge has evolved to be a key asset and tool for organisations and SMEs to utilise in building and sustaining competitive advantage, it is important to examine the type of knowledge, how it is transferred, what researchers are saying about it.

The SMEs in Nigeria, like most others in different parts of the world, are not exempt from the peculiar challenges often experienced by SMEs, which include, but are not limited to, inadequate funding, poor infrastructure, accessing raw materials, relevant knowledge and skills (Etuk *et al.*, 2014). Hence, SMEs often explore different ways to access relevant resources, such as knowledge, in order to sustain their competitive edge in their specific market, as knowledge has been proven to be a key source of organisation's competitive advantage (Reid, 2003; Grant, 1996). However, to accomplish this, they would have to overcome various knowledge acquisition barriers, in order to be able to integrate strategic and valuable knowledge within the organisation (Sun and Scott, 2005; Szulanski, 1996; Szulanski *et al.*, 2004).

Knowledge plays a strategic role in solving an organisation's problems, developing new method and competencies, and introducing new situations (Nahapiet and Ghoshal, 1998; Szulanski 1996). According to Ipe (2003), knowledge becomes more relevant, appreciating in value, when transferred, as more people can leverage it, harnessing its benefits. This has been termed as the diffusion of knowledge between important actors in an exchange

relationship (Krogh and Roos, 1996; Contandriopoulos, Lemire, Denis, and Tremblay, 2010).

This implies that knowledge transfer is strategic to knowledge management.

However, research shows that though SMEs need external knowledge to survive (Chen *et al.*, 2006), transferring it is not often straightforward, as there are often many limitations, such as the stickiness (Szulanski, 2000; Szulanski *et al.*, 2004), tacitness (Howells, 2002) and the purpose of the knowledge itself (Barney, 2001).

Moreover, high achieving firms exploring ways to develop new products and services often seek ways to harness relevant skills, competences and knowledge embedded within it and those from other firms (Kogut and Zander, 1992; Henderson and Cockburn, 1994; Chen *et al.*, 2006). This is partially because most SMEs rarely have a structured knowledge management system in place (Rhodes *et al.*, 2008; Krajnović *et al.*, 2012).

S/N	Themes	Meaning	References
1	Knowledge	<p>“A dynamic human process of justifying personal belief toward the truth” (Nonaka and Takeuchi’s, 1995, p. 21)</p> <p>knowledge is not merely a strategically relevant asset – it is the essential condition that confers resources with strategic significance. In other words, knowledge is a source of competitive advantage for firms in a dynamic business environment.</p>	Grant, 1996; Spender, 1996; Davenport and Laurence, 1998; Foss and Pedersen, 2002; Berg, 2013; Smith <i>et al.</i> , 2015; North and Kumta, 2018
2	Knowledge: Types	Explicit knowledge was first used by Polanyi (1966) to describe formal knowledge that has been systematised and organised into a transmittable format. Hence, it can be obtained in the form of books, guidelines, mathematical formulas, chain of emails, manuals, or embedded into processes and machines.	Polanyi, 1966; Choo, 1996; De Long and Fahey, 2000; Ikujiro Nonaka <i>et al.</i> , 2000; Howells, 2002).
3		Tacit knowledge describes knowledge which is deeply ingrained in an individual, usually as a result of being engaged in a particular task over a period of time. It is an intangible know-how obtained through informal absorption of learned behaviour and processes.	(Howell, 2002)
4		Knowledge conversion as a concept, clarifies the process involved in how tacit and explicit knowledge interact along a continuum. In other words, explicit knowledge can be converted to	(Nonaka 1994; Nonaka <i>et al.</i> 1996a; Alavi and Leidner 2001).

		tacit knowledge and vice versa, they are “mutually complementary” because they interact with each other in dynamic ways within creative activities engaged in by individuals and teams.	
5	Intellectual capital	<p>“Intellectual capital refers to the knowledge and knowing capability of a ‘social collectivity’, such as an organisation, intellectual community, or professional practice”. (Nahapiet and Ghoshal, 1998, p. 245).</p> <p>It embodies a valuable asset and an ability to act based on knowledge and the process of knowing.</p>	(Grant, 1996; Nahapiet and Ghoshal, 1998; Marr et al., 2003)
6	Knowledge management (KM)	<p>Knowledge management denotes the process of identifying and leveraging the combined knowledge embedded in a firm in order to help the organization compete.</p> <p>It is expected to enhance innovativeness and responsiveness and can also help employees gain access to relevant knowledge in their fields.</p>	(Von Krogh, 1998; Hackbarth 1998; Alegre, Sengupta, and Lapiedra, 2013; (Becerra-Fernandez, Leidner, and Dorothy 2014).
7	Knowledge transfer (KT)	KT is a process through which the experience of a division, department, regional enterprise, impacts another and is adopted. The transfer of knowledge among firms often delivers unique mutual learning experiences, including cooperation among various units, which often initiates the creation of new knowledge, while also influencing firms’ innovative abilities.	(Kogut and Zander, 1992; Tsai and Ghoshal, 1998; Gao et al. 2016).
8	Individual level transfer	This level of knowledge transfer is very crucial, as it links different groups and organisational transfer, because knowledge is ingrained in individuals through which it is transferred to other levels of organisations.	(Argote, 1999; Simon, 1991; Argote and Ingram, 2000)
9	Individual level transfer: Intra	This occurs when members of a firm are moved from one organisational unit to another. Similarly, this also occurs when work tools in which knowledge is embedded are moved from one unit to another.	(Kane et al., 2005)
10	Individual level transfer: Inter	The alliance of firms across formal organisational borders in order to gain access and leverage important knowledge is essential to organisational operations	(Powell et al., 1996; Barringer and Harrison, 2000; Lang, 2004).
11	Social capital	“aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu, 1986, p. 248)	(Bourdieu, 1986, p. 248)

12	Social capital: Structural social capital	The structural dimension of social capital is the “impersonal configuration of linkages between people or units” (Nahapiet and Ghoshal, 1998, p. 244). Its key aspects include the existence and non-existence of network ties between actors (Wasserman and Faust, 1994; Scott and Carrington, 2011); network configuration (Krackhardt, 1994).	(Nahapiet and Ghoshal, 1998, p. 244) (Wasserman and Faust, 1994; Scott and Carrington, 2011) (Krackhardt, 1994)
13	Structural social capital: Network Size (number of ties) Inter-firm level.	The strength of social capital is in the resources embedded within the network of social interactions; in this research, this means the existing interactions between SME managers.	(Bourdieu, 1986; Putnam, 1995; Putnam, 2000).
14	Structural social capital: Network Size (Large ties) Inter-firm level.	Large ties often create opportunities for managers of SMEs to access knowledge and resources that help them compete effectively. However, considering the fact that SMEs often have limited resources managing a large network can be both time consuming and expensive.	(Argote and Ingram, 2000; Barney, 2001; (Perez-Araos <i>et al.</i> , 2007; Chollet <i>et al.</i> , 2014; Eniola and Ektebang, 2014).
15		Small network ties are better able to preserve unique ideas and knowledge are not exempt from challenges as well, considering that they have the tendency to limit the quality and quantity of the knowledge going through the network. This is because small network ties increase the probability of interactions between managers (Putnam, 2000; Glover, 2004).	
16	Social capital: Relational social capital	This dimension describes the emotional and affective aspect of social capital. It highlights the trust-based interpersonal relationships within the networks, shared beliefs, norms, collaboration with other members of the network, a combination of factors which influence members to pursue the same goals.	(Nahapiet and Ghoshal, 1998; Cabrera and Cabrera, 2005; Smedlund, 2008).
17	Relational social capital: trust	Trust is a critical element of the shared values which constitute social capital. It is created in a social network when erring (flouting social norms or coming short in their responsibilities) social actors are sanctioned. Thick trust: This is the trust we have with the people we know. This exists in a close social network. Thin Trust: This trust relates with the people we do not know personally, but may be in our community. It focuses on formal guidelines of allocation; it does not make available a strong link to the firms' competences of information flow and collection action.	(Healy and Côté 2001) (Pretty and Ward, 2001) (Putnam, 2000).

18	Relational social capital: Identification	Identification addresses how individuals perceive themselves as part of a group. Strong group identity serves as an impetus for collaboration and exchange of information.	(Nahapiet and Ghoshal, 1998).
19	Relational social capital: norms	Norms play a critical role by characterizing agreement on the various actions in the social system. For instance, norms of candour, teamwork and collaboration often reinforce the collective actions of the organisation by initiating other important norms such as reciprocity. This norm of reciprocity helps to move individuals' focus from being opportunistic and self-serving to group-focused.	(Nahapiet and Ghoshal, 1998). (Dess and Shaw, 2001). (Adler and Kwon, 2009).
20	Relational social capital: Obligation	Obligation plays a key role in relational social capital in facilitating mutual, complimentary and collective actions. Considering that social capital is a social infrastructure, obligations play critical roles in ensuring that there are complimentary, reciprocal and collective actions between network actors.	(Leana and Van Buren, 1999) (Pearson et al., 2008)
21	Cognitive social	Cognitive social capital describes the collective targets, vision and rules being subscribed to by members of a particular group. In addition to the common intellectual background.	(Wasko and Faraj, 2005) (Nahapiet and Ghoshal, 1998; Smedlund, 2008).
22	Cognitive social capital: Shared understandings and language	Shared understandings and language are an element of cognitive social capital facilitating interactions and communications between actors within networks. Sharing common language and systems of meaning facilitates the gaining of social relations, knowledge and resources by actors, which are often difficult to obtain without cognitive social capital.	(Nahapiet and Ghoshal, 1998)
23	Social capital as a facilitator of entrepreneurship	This concept was succinctly captured by Zimmer and Aldrich (1986), "which views entrepreneurship as embedded in networks of continuing social relations" (p. 8). This is particularly true for operating within the harsh realities of dynamic business terrains. Social capital is often accessed when managers build alliances through building mutual trust and familiarity. This often influences the level of economic exchanges	Aldrich (1986), (Granovetter; 1982; Putnam, 1993; Nahapiet, 1998; Jennings and Sanchez-Pages, 2017) (Gambetta, 1988; Fukuyama, 1995; Dikken, 2000; Hawlitschek, <i>et al.</i> , 2016).
24	Social capital as facilitators of referrals	SME managers with strong ties and structural holes in their personal networks are able to access business advantages such as more positive word of mouth and therefore more business referrals	(Chollet <i>et al.</i> , 2014).

25	Social capital and networks	Social capital facilitates network actors' ability to enjoy specific benefits as members of the social network.	(Coleman, 1988; Burt, 1992; Portes, 1998)
26	Social capital and culture	The concept of social capital is embedded in individual attitudes, behaviour and inclination which are key element of culture as it influences how people view and interpret their environment and carry out daily activities. This is because most dimensions of traditional culture-social groups such as clans, tribes, communal associations, religious groups are often embedded in shared norms which are deployed to accomplish common good.	(Hofstede and Hofstede, 2001; Kirkman et al., 2006).
27	Social capital and knowledge transfer	Resources (ideas, knowledge) which are described as collectively owned capital are often embedded within the social interactions between individuals	(Coleman, 1990; Lane and Lubatkin, 1998; Noorderhaven and Harzing, 2008; Hunter and Lean, 2014)
28	The resource-based view	The resource-based view of the firm opines that firms are able to sustain their competitive advantage by gaining access to rare and unique capabilities and resources. It argues that, provided that they are scarce and relevant to the firm, causally ambiguous and socially complex, resources are strategically the most important sources of a firm's competitive advantage	(Becker and Huselid, 1998; Nahapiet and Ghoshal, 1998; Barney, 1991; 2001; Zonooz et al., 2011)
29	Knowledge-based view	knowledge-based view of the firm asserts that knowledge is one the critical resources, because it is hard to replicate and therefore critical in accomplishing competitive advantage over other firms. It asserts that knowledge is the critical input in production and primary source of value, and innovates new products, services and processes.	(Grant, 1996; Ikujiro; Nonaka <i>et al.</i> , 2000; Lubit, 2001).
30	Relational View	The relational view of the firm focuses on dyad/network routines and processes as a vital unit of analysis for comprehending competitive advantage. It demonstrates its value by presenting a framework that provides a theoretical platform for comprehending inter-organisational competitive advantage.	(Oliver, 1990)
31	Absorptive capacity	This refers to the concept that a firm can develop the capacity to identify and integrate valuable knowledge from a specific alliance partner.	(Cohen and Levinthal, 1990; Dyer and Singh, 1998)

Development of a preliminary framework for this research

According to Crossan *et al.* (1999), there are three core elements a good model should have, namely:

1. It should identify the phenomenon being explored, which in this research is knowledge transfer and social capital.
2. The main assumptions supporting the model must be clearly highlighted.
3. The existing relationship among the various elements of the model should be clearly explained. In this research, the model assumes that both the knowledge source and recipient-related factors are critical for ensuring effective knowledge transfer from one SME manager to another.

Various frameworks have developed over the years – e.g. Szulanski (1996), Gilbert and Cordey-Hayes (1996), Chen *et al.* (2006) – relating to social capital and knowledge transfer. However, some elements of these frameworks are not applicable to the context of this research (SMEs and Nigeria), nor did they explicitly relate social capital theory to their frameworks. Social capital theory is particularly important because knowledge is embedded in the individuals, hence for knowledge transfer to take place there must be an interaction between knowledge source and knowledge recipient (Nahapiet, *et al* 1998). Moreover, the research aim of this study is to explore the influence of social capital in the transfer of knowledge among Nigerian managers of SMEs. Hence, developing a framework that explicitly demonstrates how social capital influence knowledge transfer is expedient.

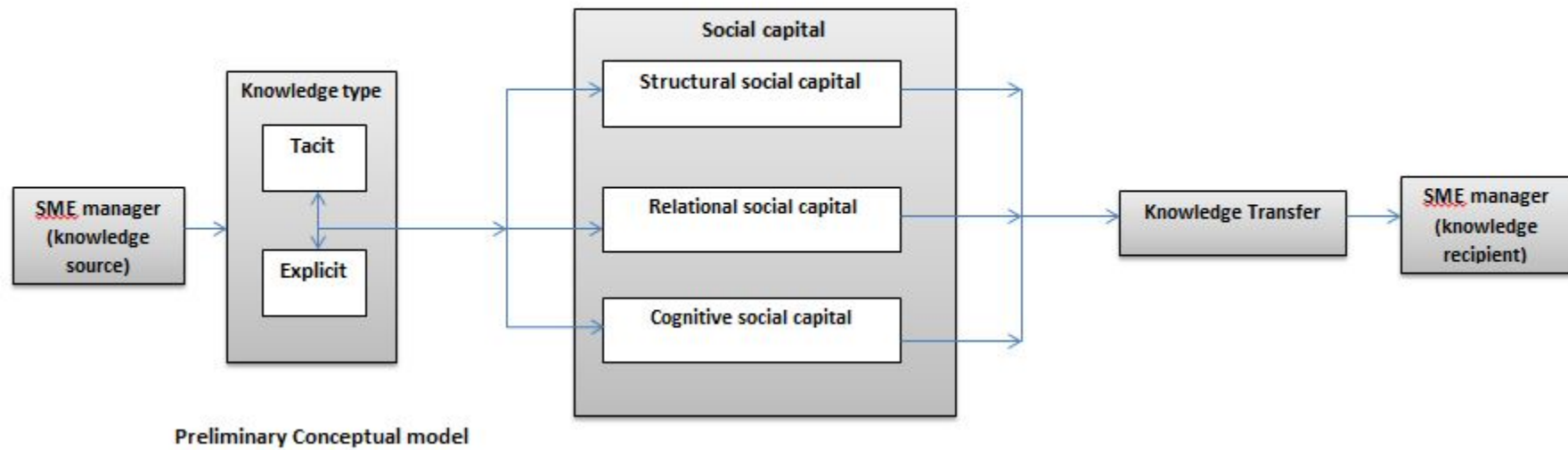
Further, SMEs are different from MNCs, based on their configurations, challenges, operations and resources, as they are not merely scaled down version of large firms (Andrade *et al.*, 2012; Ojasalo and Ojasalo, 2015). Therefore, a suitable framework must reflect the SME context demonstrating how social capital influences knowledge transfer among SMEs. For instance, Gilbert and Cordey-Hayes' (1996) framework was designed to highlight the process

of knowledge transfer within the context of a single organisation, this research focuses on inter-firm knowledge transfer.

Although, Chen et al.'s (2006) knowledge transfer framework examined the phenomena within the context of SMEs, it did not reflect the different dimensions of social capital as it was not designed to illustrate how social capital influences knowledge transfer.

Thus, although literature provides evidence that Social capital influences knowledge transfer, few examined it within the context of SME managers and a developing country like Nigeria. This is despite the fact that SMEs add value to the Nigerian economy by improving employment, rural development (Muritala *et al.*, 2012; Etuk *et al.*, 2014; Taiwo *et al.*, 2016), building gross domestic product (GDP) (Ihugba *et al.*, 2014), balance of trade (Zonooz *et al.*, 2011) and Nigeria, being the largest economy in Africa (IMF, 2018). Hence, to investigate the issue of how social capital influences knowledge transfer among Nigerian SME managers, I propose a preliminary framework based on an analysis and synthesis of the literature. This study does not intend to test the framework, but rather to rely on it as a broad guide to facilitate data analysis (Saunders et al. 2009). The framework displayed below highlights how the (Nahapiet and Ghoshal, 1998) dimension of social capital helps facilitate knowledge transfer among Nigerian SMEs. Hence, to reflect the aim of this research, a conceptual framework is developed, see Figure 2.4 below

Figure 2.4 Preliminary framework



Empirical justification of conceptual framework

According to Morone and Taylor (2004), the distribution of knowledge varies between groups, organizations and nations. Organizations competent at transferring knowledge have been discovered to possess advantages often not possessed by their counterparts with little or no competence in knowledge transfer (Argote *et al.*, 1990, Darr *et al.*, 1995, Baum and Ingram, 1998, Wang and Noe, 2010, Levine and Prietula, 2012). Hence, facilitating knowledge transfer within the organization is often prioritized (Argote and Ingram, 2000, Reagan and McEvily, 2003) and in particular, at the individual level, considering that it mediates between groups and organizations (Argote, 1999, Argote and Ingram, 2000).

Research depicts that knowledge transfer occurs during interactions among people who are in various social relationships (Nahapiet and Ghoshal, 1998, Yli-Renko *et al.*, 2001, Inkpen and Tsang, 2005, Filieri and Alguezaui, 2014). According to Nahapiet and Ghoshal (1998), social capital highlights the impersonal configuration of connections existing between social actors, quality of these connections, and the common representations, interpretations, and meanings embedded in these connections. A number of social capital characteristics were discovered to enhance knowledge transfer. These include the centrality of the knowledge recipient (Tsai, 2001), a wider network range of the knowledge source (Reagans and McEvily, 2003), the level of existing closeness between the knowledge recipient and the source (particularly when knowledge is tacit) (Uzzi, 1999; Hansen, 1999; Reagans and McEvily, 2003; Levin and Cross, 2004), and cohesive network relationships around the recipient and the source (Reagans and McEvily, 2003). The next section would review the empirical evidence of depicting how social capital influences knowledge transfer.

Empirical evidence supporting the influences of social capital on knowledge transfer

A number of empirical studies in extant literature highlight the role social capital plays in influencing knowledge transfer within an organization (Hargadon and Sutton, 1997; McEvily

and Zaheer, 1999; Edelman et al. 2004; Schilling and Phelps, 2007; Dittrich and Duysters, 2007; Bae and Koo, 2008; Tiwana, 2008; Phelps 2010; L i et al, 2010; Wei *et al.* 2011). See table 2.2 below. However, little research explored how social capital influences knowledge transfer within the context of SMEs or a developing country in Africa, such as Nigeria.

Author	Research method and sample	Nature of relationship and configuration type	Result	Research context
Hargadon and Sutton (1997)	Case study on a design firm	Positive relationship – brokering actor	Fresh ideas and products were produced	Multinational company (MNC)
McEvily and Zaheer (1999)	A survey was used while the research sample were 227 job shop manufacturers based in the USA	Positive relationship – Tie type- bridging ties	New ideas, information and opportunities were accessed	Small manufacturing firms in the U.S.A
Edelman et al. (2004)	Based on a multiple case study on two organizations based in the U.K (Telco and Constructo)	Positive relationship – Network type- dense networks. Negative relationship– Network type- dense networks.	Facilitated knowledge exploration while also creating access to knowledge that would have otherwise not been available.	Large organization in the U.K
Schilling and Phelps (2007)	This was a longitudinal study of the patent performance involving 1,106 organizations in 11 industry-level alliance networks.	Positive relationship– Network type- closed networks.	Facilitated knowledge creation (patents count)	Large high-tech U.S organizations
Dittrich and Duysters (2007)	This was an exhaustive semi-structured interview and a large-scale quantitative analysis of alliance agreements at Nokia corporation.	Positive relationship – Network type- dense network Positive relationship– Network type- open network	Exploitation Exploration	Nokia corporation

Bae and Koo (2008)	An agent-based computer simulation model was used.	Positive relationship – Network type- sparse network combined with strong ties Positive relationship– Tie type- strong ties coupled with bridging ties	Knowledge transfer	
Tiwana (2008)	This was a survey of 142 individual and 42 innovation-targeting project alliances.	Positive – strong ties and bridging ties	Knowledge integration	Multinational company (MNC)

Besides the researches highlighted above, the two key studies discussed below provide some empirical evidence on the link between social capital and knowledge transfer. These studies are analysed and presented in the following paragraphs.

Wei *et al.* (2011) Empirical evidence highlighting the influence of social capital on knowledge transfer

This research examined how group and individual social capital influenced knowledge transfer. Wei *et al.* (2011), conducted their study in a post-training context in which they surveyed 390 participants from 30 teams in a large Chinese bank. This study highlighted that social capital at the team level interacts with social capital at the individual level to influence knowledge transfer. According to Wei *et al.* (2011), at the individual level, the existing distance and structural similarity between the knowledge recipient and the knowledge source determined the level of knowledge transfer that occurs between them.

However, knowledge transfer at the individual level is often daunting, considering that individuals possess different paradigms which determine how knowledge is ordered and legitimized; the sticky nature of knowledge which is often socially integrated within the firm and its daily routine (Leonard, 2001; Hippel, 1994; Szulanski, 1996a). Hence, during knowledge transfer, cost are often incurred in search of suitable knowledge sources, (Borgatti

and Cross, 2003; Kim, 2016) and they have to overcome motivational and competitive obstacles of the knowledge source and the environment (Reagan and Mcevily, 2003).

Wei *et al.* (2011), adopted Burt's (1976, 1992) concept by utilizing distance (which is the length of the closest route between the knowledge source and knowledge recipient) and structural equivalence (which is the degree of similarity between the position of the knowledge source and knowledge recipient in the network). This was aimed at capturing the network positioning of the knowledge source in regard to the knowledge recipient, as well as to other network actors.

Individual-level results

According to Wei *et al.* (2011) empirical evidence, distance ($\gamma = -.20$, $p < .05$) and structural equivalence ($\gamma = .20$, $p < .05$), were the important variables forecasting knowledge transfer. This implies that knowledge transfer is influenced by the existing distance (structural social capital) between the knowledge source and the knowledge recipient. In other words, as the distance grows, the knowledge transfer drops. Further, the existing structural equivalence between the knowledge source and knowledge recipient has a positive influence on knowledge transfer (Wei et al, 2011; Filieri and Alguezqui, 2014). This implies that the greater the existing structural similarity between the knowledge source and knowledge recipient, the higher the transfer of knowledge.

Table Results of hierarchical linear modelling

Variable	Coefficient	s.e.	t	Model deviance	R2b
Intercept	3.71	.10	38.54***	617.88	
Intercept	4.10	.36	11.41***	558.25	.16
Gender	-.16	.10	-1.60		
Age	-.04	.04	-1.02		
Education	-.15	.12	-1.25		
Distance	-2.0	.10	-2.03*		

Structural equivalence	.20	.10	2.23*		
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Source Wei *et al.* (2011)

Limitation

Although, Wei *et al.* (2011) study which surveyed 390 participants from 30 teams in a large Chinese bank, empirically demonstrated that social capital influences knowledge transfer. However, they cannot rule out the possibility of social desirability (Podsakoff and Organ, 1986). This is particularly important in a business environment where employees may be motivated to inflate their knowledge transfer scores in order to gain social approval (Adams *et al.*, 2005).

More so, Wei *et al.* (2011), research was conducted within the context of a large Chinese bank. Hence, unlike this research, it was unable to capture the opinions of SME managers in multiple industries. In other words, in addition to the fact that this research did not capture the opinions of SME managers, it was limited to a single industry.

Li *et al.* (2014) Empirical evidence highlighting the influence of social capital on knowledge transfer

Li *et al.* (2014) multi-case study of four regional banks in China discovered that social capital (structural, cognitive and relational), influences knowledge transfer. They assert that structural social capital influences the transfer of knowledge through opportunity, cognitive social capital through transfer capability, and the relational social capital through transfer willingness (Li *et al.*, 2014). This was conducted within the front/back office context of four regional banks in China.

According to Li *et al.* (2014), the structure and the distance of the firm (structural social capital), the shared understanding, knowledge distance, knowledge sharing (cognitive social capital) and the quality and credibility of the relationship (relational social capital) are factors influencing knowledge transfer. This was captured in figure 2 below.

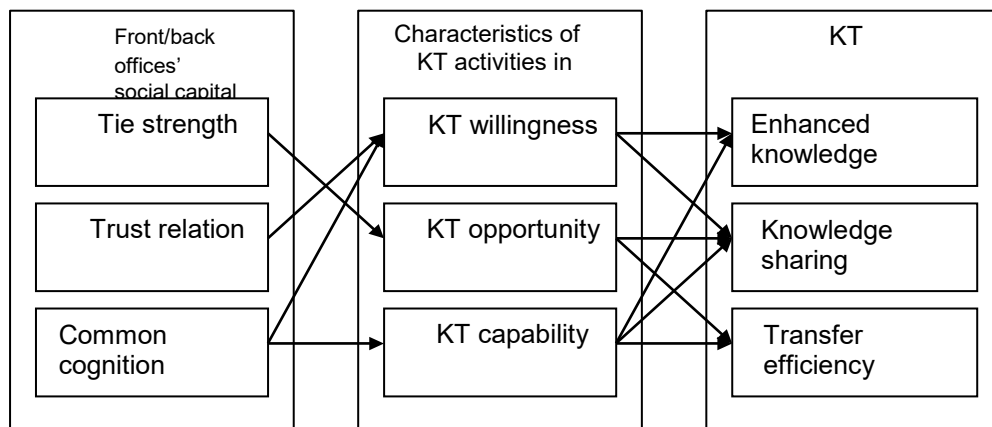


Figure 2 Result model (Li *et al.*, 2014)

Table 4. Social capital and knowledge transfer in New Service Development (NSD) (Li *et al.*, 2014)

Construct relationship	Item accounts (proportion)	Examples of open coding items
Tie strength and KT opportunity	15 (19.0%)	We have many feedback channels (structure), such as our information system and routine meetings and we can also go directly to our supervisors, so it is easy to express what we really think to the management (opportunity); the information is rapidly passed to the upper management as long as it is useful. (A)
Trust relation and KT willingness	15 (19.0%)	The top management like to hear what we suggest (trust), so we presented what we thought in every possible cases (willingness). (D)
Common cognition and KT willingness	13 (16.5%)	There are lots of young employees in our bank with an average age of 28. Young people usually have stronger devotion in their careers (cognition), they are willing to discuss over the thoughts that they have in mind (willingness) and they have no problem assisting each other. (B)
Common cognition and KT capability	14 (17.7%)	Although it is not necessary to have a very high educational background (common cognition), it is required that our staff at least have a postsecondary specialized qualification and have basic comprehension skills (capability). (C)

Limitation

Li *et al.* (2014), conducted a holistic research by analysing how front/back office social capital influences knowledge transfer in NSD in regional banks in China. However, their research did not highlight variables, such as the density of the network (Hansen, 1999, Kwon and Adler, 2014), network centrality (Tsai, 2001, Villasalero, 2014), and structural equivalence (Burt, 1997, Wei *et al.*, 2011), which can also influence knowledge transfer.

More so, Li *et al.* (2014), research was conducted in regional banks in China.

Hence, unlike this research, it was unable to capture the opinions of SME managers in multiple industries. In other words, in addition to the fact that this research did not capture the opinions of SME managers, it was limited to a single industry.

Gaps in Research

The following gaps were identified based on the review of key business and management literature of knowledge transfer in SMES:

Focus on large companies and on MNCs

Much has been written on the subject of how social capital influences knowledge transfer, especially within the context of MNCs (Anderson and Jack, 2002; Inkpen and Tsang, 2005; Kumar *et al.*, 2009; Kang and Sauk Hau, 2014; Li *et al.*, 2014). This spans across a systematic conceptual evaluation of social capital and knowledge transfer and various elements that impact on knowledge exchange (Inkpen and Tsang, 2005). However, little research captures how social capital influences knowledge transfer among SME managers. This is particularly important because MNCs and SMEs are fundamentally different in their configurations, challenges, operations and resources. Hence, they are not merely scaled-down versions of large firms (Andrade *et al.*, 2012; Ojasalo and Ojasalo, 2015). This explains why collaborations with partner SMEs often increase the possibility for product launches, which is rarely the case for large firms (Spithoven *et al.*, 2013).

Focus on other contexts

There is evidence in extant literature that enumerates how social capital theory is being adopted by researchers to clarify how individuals and organisations transfer knowledge (Adler and Kwon, 2002; Inkpen and Tsang, 2005; Wah *et al.*, 2008; Wei *et al.*, 2011). However, few of these researchers examined these concepts within the context of **developing countries**, especially Nigeria; evidence only shows similar studies in South Korea (Wang and Noe, 2010), China (Wei *et al.*, 2011) and Germany (Zimmermann and Ravishankar, 2014). Moreover, none of them examined it from the **perspective of SME managers**. This lack of research seems to constrain in-depth understanding of the studied phenomena within other contexts, especially Nigeria. This is particularly important, considering that extant literature highlighted that challenges such as poor knowledge management structure, weak institutions and social exclusion absorptive capacity are some of the obstacles preventing effective knowledge transfer among Nigerian SME managers.

2.10 Conclusion of Literature Review

Overall, this literature review has provided an insight into the important subjects being researched in this study, namely knowledge transfer, social capital theory and SMEs. It has also enumerated the gaps in extant literature on this subject and given a summary of relevant concepts.

In line with the gaps identified above, coupled with the aim and objectives of this research, the research questions set to be addressed by this study are repeated here:

Research questions

1. How do SME managers in Nigeria develop social capital?
2. How does social capital influence knowledge transfer among Nigerian SME managers?

Chapter Three: Research Methodology

3.0 Overview

The preceding chapter examined the literature regarding social capital and the transfer of knowledge among Nigerian SMEs. This chapter starts by examining, discussing and justifying the suitability of the research paradigm and the study's methodology. The philosophy and research paradigms are outlined, providing comparisons with the selected one; justification is provided for the selection of an interpretive research paradigm, a qualitative interviewing methodology and the justifications for this; and the process of data collection whilst ascertaining the connections with the working propositions and the main themes; followed by the data analysis; also, limitations are highlighted and the ethical considerations discussed.

3.1 Research Paradigm

The research methodology that a researcher adopts is determined by the underlying research paradigm (Saunders *et al.*, 2009). This implies that the questions of which research method to adopt are minor to questions of paradigm (Saunders *et al.*, 2009). The research paradigm the researcher chooses influences what is seen as relevant, valid and reasonable (Guba and Lincoln, 1994; Saunders *et al.*, 2009), and guides the investigation, not only in choices of method, but in ontologically and epistemologically fundamental ways (Silverman, 2013).

Moreover, the term paradigm can sometimes be confusing because of its several meanings. For example, Saunders *et al.* (2009) says that a "paradigm is a way of examining social phenomena from which particular understandings of these phenomena can be gained and explanations attempted" (p. 118). In other words, it is the lens through which a researcher views reality. This slightly differs from Johnson and Christensen (2008), perception of paradigm as "a perspective held by a community of researchers which is based on a set of shared assumptions, concepts, values, and practices" (p. 33), in that it views it from a collective perspective. Guba and Lincoln (1994) defined it as a "set of philosophies regarding how the world operates and a person's position in it" (p. 107). However, irrespective of the

research paradigm adopted by a researcher, one thing is certain, this choice determines how research questions would be answered (Stage and Manning, 2015). Additionally, this implies that the question of which research paradigm to adopt is often followed by the question of epistemology, ontology and methodology (Stage and Manning, 2015).

Researchers hold different perspectives, beliefs, values and assumptions, which influence their stance on what measures as authentic research, and what is the suitable research method to adopt for a research problem (Myers, 1997). The challenge here is that there is a higher probability of business and management researchers having an unhealthy influence on the research outcome, which is sometimes caused by their blind spots and assumptions (Patton, 2015).

Hence, considering the fact that they have major influence both on the research and on understanding what is being investigated (Johnson and Clark, 2006), this researcher cautiously selected his philosophical position. Table 3.1 (at the end of this section) presents the different research paradigms.

Guba and Lincoln (1994) highlighted four fundamental research paradigms for qualitative study: positivism, post-positivism, critical theory and constructivism. However, Orlikowski and Baroudi (1991) suggested three philosophical paradigms based on epistemology research (the way reality is known or how we understand our world): positivism, interpretivism and critical theory. In line with Orlikowski and Baroudi (1991), Oates (2005) also suggested that positivism, interpretive and critical theory are the most 'broad-brush' approaches, considering that these paradigms can be further categorised. For instance, positivism can be further broken down into positivist and post-positivist, and the goal of both paradigms is the clarification that eventually depicts the pathway to the prediction of the phenomenon and subsequently possible generalization. This operates from both nomothetic and etic perspectives and is predicated on quantitative research (Ponterotto, 2005). On the other hand, interpretivism can also be further broken down into hermeneutics, phenomenology or constructivism and critical research into Marxist and feminist research (Oates, 2005).

3.1.1 Realist research paradigm

This research paradigm asserts that realism is determined by what the five senses depict to us and that objects exist independent of the human mind. This is in agreement with Pawson (2013), assertion that every study “reveals its truths but in ways that are highly conditional and multiply contingent” (p. 189). Hence, realists carefully choose their case “to test and refine theory” (Emmel, 2013, p. 109), in order to progress from mere description to explanation of phenomena (Patton, 2015). This branch of epistemology shares some similarities with positivism, as regards its scientific inclination towards the development of knowledge (Saunders *et al.*, 2009). This philosophy has two core types: firstly, direct realism, which asserts that reality is exactly what is reflected to us through our five senses (Saunders *et al.*, 2009). In other words, what you see is what you get. On the other hand, critical realism asserts that what we claim to be real, our experiences are sensations, the images of objects in the real world and not the objects themselves (Saunders *et al.*, 2009).

Critical realism

The basic position of critical realism is that casual language can be used to describe the world. Critical realists hold the position that there exists a real world out there. However, it is challenging to provide evidence or argue in the same way social constructivists, pragmatists and even positivists are able to (Easton, 2010). This postulation is deemed performative in the sense that we act as it is a real world.

According to Saunders *et al.*, (2016), critical realists perceive reality as independent and external to the observer, although this reality is not directly reachable through the researcher's observation and knowledge of it. Generally speaking, this postulation is obtainable in the physical world. For instance, constructivist cannot assert that the world is completely socially constructed, considering that this in itself is a realist perspective. Critical realists are different from constructivists in that they assert that what researchers experience are the sensations

which are mere representations of the elements in the actual world. It points out how often we are deceived by our senses (Saunders *et al*, 2016).

According to Sayer (1999), “In both everyday life and social science, we frequently explain things by reference to causal powers” (p.14). Critical realism reflects the language and procedures we regularly adopt and the meaning we give to them. Although, this language is often used unconsciously, critical realism takes a position that it should be used consciously (Easton, 2010).

Critical realism justifies the research of a variety of phenomenon, especially if the process consists of thoughtful in-depth research, aimed at comprehending things just as they are (Easton, 2010, Saunders and Lewis, 2016). Critical realism aims at exploring a phenomenon at a deeper level, in order to comprehend the bigger picture, considering that we only see a small part of reality (Saunders, *et al* 2016). More so, critical realism asserts that reality is independent of the observer- the researcher, this facilitates some generalizability, which is a significant element in critical realism according to (Wynn and Williams’ 2012).

Although this is slightly relevant to my study, considering that my research aims to capture how social capital influences knowledge transfer within the context of Nigerian SMEs. However, the interpretivist approach is the most suitable because this research ‘explores the influence social capital has on knowledge transfer’ through the eyes of Nigerian SME managers (Saunders, *et al* 2016). This argues that the way Nigerian SME managers perceive this phenomenon would be different considering that unique experiences.

3.1.2 Positivist research paradigm

The positivist paradigm perceives reality from an independent and objective standpoint, separate from the researcher or observer (Lee *et al.*, 2010; Saunders *et al.*, 2009; Stahl, 2007). Researchers adopting this paradigm prefer “working with an observable social reality and that the end product of such research can be law-like generalisations similar to those produced by

the physical and natural scientists” (Remenyi *et al.*, 1998, p. 32). This supports the view that as a phenomenon, social reality can only be empirically measured with an instrument, in order to guarantee authentic data (Myers, 1997; Saunders *et al.*, 2009).

This concept of reality, which is independent of the researcher and the assumed impartial observation of this reality, rarely produces a sufficient comprehension of the phenomenon being examined (Remenyi, 1998; Adam, 2001). This is because Positivism is inadequate in examining a non-observable social reality (Nissen, 1985; Orlikowski & Baroudi 1991) such as opinions, perspectives, and feelings, which this research aims to capture (Saunders, 2009). Hence, considering that this research focuses on examining the opinions of Nigerian SME managers on how social capital influences knowledge transfer among themselves, the Positivist perspective would be inadequate.

Positivism attempts to generalise findings (Pettigrew, 1985; Lee & Baskerville, 2003) which this research is not aiming to accomplish. Hence, they often deploy a structured methodology in order to enable replication (Gill and Johnson 2002) and quantifiable observations that support statistical analysis (Saunders, *et al.*, 2016). More so, Positivists assert that there exists consistencies or law-like generalisations within material or social contexts that provide a foundation for both explanation and prediction. On the basis of these consistencies, they attempt to make causal statements. This is because they assume that if two events regularly take place in sequence, then it is safe to assert that one explains the other. This raises a number of concerns because continuous conjunction of elements or variables is not necessarily a causal explanation, neither is it specially an explanation. It is simply a theoretical description of the world.

3.1.3 Interpretive research paradigm

The interpretive research paradigm, contrary to the positivist paradigm, perceives social reality from the subjective standpoint (Saunders *et al.*, 2009). It aims to grasp the basic meanings

attached to various phenomena, e.g. organisational existence, while attempting to understand social reality through the participant's lenses (Burrell and Morgan, 1979; Sanders *et al.*, 2009).

However, the limitation is that it is unable to generate a generalizable phenomenon because of the contextual nature of its results. All research has an element of the interpretative paradigm because they are all directed by a set of feelings and perceptions about the world and how it should be observed and comprehended (Daly *et al.*, 1997; Braun and Clarke, 2006).

Research shows that this paradigm is more interested in words and the meanings they represent, rather than numbers as the key source of data. Hence, information extracted and collated from sources, such as interviews, are given priority in comparison to objective value-free information (Patton, 1990). Major contributions have been made by theorists, such as Dilthey, Schutz, Weber and Husserl, towards instituting it as a framework for social analysis, although with different levels of commitment to its fundamental weaknesses (Burrell and Morgan, 1979).

3.1.4 Justification for adopting the Interpretivist paradigm

The study adopts the interpretive paradigm because it is mainly interested in how researchers make sense of the world around them; hence, it is only preoccupied with capturing the meanings and experiences of the individuals who are experiencing the social phenomenon being explored (Saunders *et al.*, 2009). In other words, it neither tests theories, nor reproduces the search results (Shah and Corley, 2006; Saunders *et al.*, 2009). This suits the nature of this study, as it seeks to understand the how and why of a phenomenon.

In contrast, due to the inherent limitations in capturing and replicating real-world experiences, the positivist paradigm is designed to address quantitative research issues and is not appropriate for this research's aim (Kaplan and Duchon, 1988). This is because numbers and statistics often gathered through a positive approach are limited in extracting underlining meanings behind the data (Gable, 1994). This was succinctly captured in this quote: "the

researcher who collects quantitative data from a distance without anecdote to support them, will always have difficulty explaining interesting relationships” (Shah and Corley, 2006, p. 1891).

Nigeria is both a collectivist and high-context culture; this implies that the interest of the group or social network, as in the case of this research, is more important than that of the individual/social actor (Hall and Hall, 1990; Hofstede, 1997). On the other hand, members of the group/social connections are likely to hold important knowledge in their minds, with very little documented in explicit form (Hall and Hall, 1990; Hofstede, 1997). A social actor, such as an SME manager, can also have access to specific resources/knowledge on how to improve their business, for instance, by belonging to a specific network of SME managers, sharing a common belief, vision, meanings (Bourdieu, 1986; Nonaka and Takeuchi, 1995; Putnam, 2001).

The bulk of the knowledge social capital often helps to transfer is tacit, which is ingrained in the individual and often contextual (Nonaka and Takeuchi, 1995; Staber, 2003). This implies that adopting an interpretative paradigm would be appropriate for extracting the meanings and opinions of managers on how social capital plays a role in the transfer of knowledge from one SME manager to another (Borgatti and Halgin, 2011).

Knowledge is embedded in individuals (Nonaka and Takeuchi, 1995; Staber, 2003). This study attempts to explore the opinions of managers of SMEs, as regards how social capital influences external knowledge transfer between SMEs in Nigeria. Hence, adopting an interpretive paradigm enables the research to explore the ‘how and why’ managers of SMEs leverage on social capital to transfer knowledge to each other. This is because it is more suitable to better appreciate the depth and richness of a social context, and inquire into the subjective meanings influencing the behaviours of social actors, in order for the researcher to be able to comprehend these behaviours (Baroudi and Orlikowski, 1990; Saunders *et al.*, 2009).

Researchers adopting the positivist paradigm prefer “working with an observable social reality and that the end product of such research can be law-like generalisations similar to those

produced by the physical and natural scientists” (Remenyi *et al.*, 1998, p. 285). This may involve the testing of hypothesis, theories, or assessing of variables, none of which is required in this research. This implies that the positivist research paradigm would not be appropriate.

Table 3.1: Research paradigms

Basic views	Research paradigms			
	Positivist	Pragmatism	Realist	Interpretive
Ontology What comprises reality? How can existence be understood?	Asserts that there is only one objective reality.	Asserts that truth is whatever works especially in relation to the research question.	The realist viewpoint of reality is independent of human reasoning or ideas (realist) but can be grasped through social conditioning	Asserts that reality is multiple and socially constructed.
Epistemology Is what is learned independent of the researcher?	Social reality is that is what can be learnt, is independent of the researcher	The researcher takes an active part in what is learnt.	The phenomenon being observed provides data and facts. Inadequate data implies inaccurate sensations (direct realism). Sometimes the phenomena can generate sensations which can be misinterpreted (critical realism). The focus should be on elucidation within a specific content /contexts.	The research is involved in the process of constructing learning.
Axiology The researcher's view of the role values play in research	The positivist researcher engages in research in a value-free way independent of the data maintaining an objective stance	The pragmatic researcher is often influenced by values, adopting both objective and subjective perspectives.	Cultural contexts, perspectives and worldviews have effects on the realist researcher thereby influencing the research.	The interpretative researcher is often immersed in the research. This implies that they would be subjective.

Data collection approach commonly adopted How to embark upon discovering social reality?	This often adopts a very structured approach requiring large data sample. Survey questionnaire. Commonly adopted by quantitative researchers but can also be used by qualitative researchers as well.	Often adopts a mixed or multiple method designs, quantitative and qualitative	The selected data gathering approach adopted by the researcher must be help to accomplish the research aim and objectives.	Case study The interpretative researcher often adopts a small sample, coupled with in-depth investigations; qualitative
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Source: adapted from Saunders *et al.* (2016)

3.2 Research Methods

Research methodology is a “procedural framework within which the research is conducted; it describes an approach to a problem which may be operationalized into research programme and process” (Remenyi *et al.*, 1998, p. 285).

This has been broadly categorized into two separate approaches: quantitative and qualitative, and what determines which one a researcher decides to use, among many other reasons, is the most suitable approach for answering the research question (Letherby and Bywaters, 2007; Flick, 2014).

3.2.1 Research method for this research

The research methodology for this research is qualitative research, which “attempts to capture people’s meanings, definitions, and descriptions of events. In contrast, quantitative research aims to count and measure things” (Minichiello, 1992, p. 9). This involves specific ways of discovering the actions people take, what they know, think, and experience by observing, interviewing, and examining documents (Patton, 2002). A qualitative research involves the collection of non-standardized data, in order to examine the subjective meaning of events, processes or phenomena. It focuses more on examining the words or visual images, in place of numbers and statistics (Remenyi *et al.*, 1998; Johnson and Harris, 2002; Denscombe, 2010; Flick, 2014). It usually relies on a small sample of individuals who are often deeply researched within their usual environment (Berg, 2009, Denscombe, 2010).

This is very relevant to social capital theory, considering that the experiences this research was expected to capture would be that of SME managers within specific social networks. However, qualitative research has a few weaknesses which can pose a challenge for researchers. These include the challenge of not having a result that can be objectively verified; the high level of skills required for interviewing; its time-consuming nature and the intensity of its grouping process (Choy, 2014).

Moreover, besides it being time-consuming, a number of issues important to the overall research may be overlooked, or simply go unnoticed; the process of observation and conclusion may be prejudiced by the researcher's personal experience, assumptions or knowledge (Saunders *et al.*, 2009). In addition to the above drawbacks, because of the open-ended nature of qualitative research methodology, the participants are often in control of the process and this can pose a challenge, especially when they do not understand the questions or the phenomenon (Yauch and Steudel, 2003; Johnson and Onwuegbuzie, 2004; Choy, 2014).

3.2.2 Justifications for the adoption of the qualitative research method

Research shows that a range of factors, such as the research question, researcher's world view and the aim of the researcher, influence the methodology a researcher eventually adopts (Letherby and Bywaters, 2007; Saunders *et al.*, 2009; Flick, 2014). Highlighted below are justifications for adopting the qualitative research method.

- The qualitative research method is appropriate for this research because it will help the researcher understand how key aspects of social capital theory, such as trust, shared meaning and language, impact on knowledge transfer between managers of SMEs.
- Adopting a qualitative research method is suitable because of its ability to enhance close contact with the participants (managers of SMEs) to access their "direct experience of social settings and fashioning an understanding of social worlds" (Bell and Bryman, 2007, p. 627).
- Corbin and Strauss (2015) assert that the qualitative research method can be deployed, in order to explore and understand a phenomenon or an aspect of research which is still under-researched. This includes gaining fresh perspectives on phenomena, which are already known for the purpose of obtaining deeper and richer knowledge, which could be challenging to express quantitatively.

- Qualitative research is suitable for this research because it is designed to explore a particular phenomenon within a particular context (Nigeria and Commission), in order to obtain deeper meaning and fresh perspectives (Yauch and Steudel, 2003; Johnson and Onwuegbuzie, 2004; Choy, 2014).

3.3. Research Approach

Broadly speaking, the deductive, inductive and abductive approaches are the three main approaches adopted in academic research. These three research approaches are linked to the nature of the relationship between theory and research; in other words, it focuses on the role theory plays and how it would be deployed in the research (Bryman 2012). The deductive approach is theory guiding the research; the inductive approach is theory being the research outcome; and the abductive approach is the hybrid of both, that is, theory expansion and theory refinement (Ketokivi and Choi 2014; Voss *et al.*, 2002).

Research approach for this study: Inductive approach

An inductive research approach explores data to develop theories which would eventually be related to literature. It aims to explore the context of a phenomenon, understand why a phenomenon or an event is happening, rather than what is happening (Denzin and Lincoln, 2018). As a research approach, it utilizes qualitative data, accommodates a possible adjustment during the course of the research (David and Sutton, 2011; Saunders, 2011; Patton, 2015). Although this research loosely embraced social capital as a broad theoretical lens, it was data-driven, as the researcher was open to new and interesting discoveries. Hence, as the research progressed, the researcher was able to discover and discuss emerging themes during thematic qualitative analysis. This approach enabled the researcher to explore and understand how social capital influences knowledge transfer among Nigerian SME managers by exploring their opinions, asking open-ended questions

3.4 Unit of Analysis

According to Yin (2009), one of the components of research design is the unit of analysis, which is connected to the basic challenge of defining what the case should be. It is described as the critical level at which data is combined and the entity that forms the basis of any sample (Easterby-Smith *et al.*, 2012). Unit of analysis is termed as the key level at which data aggregates and elements that make up the basis of any sample (Easterby-Smith *et al.*, 2012).

Moreover, it is the focal point for the research interpretation (Boyatzis, 1998). Different phenomena can be adopted as the unit of analysis by researchers, such as “individuals, groups, structures, concepts, processes and artefacts” (Savin-Baden and Major, 2013, p. 89). Although many researchers collate data on the basis of a single unit of analysis, a double unit of analysis is also feasible if the theoretical aims of the research justify this (Easterby-Smith *et al.*, 2012). This research is based on a single unit of analysis, the Nigerian manager of an SME. Hence, data was collected from managers of Nigerian SMEs.

This research adopted Nigerian SME managers as the unit of analysis because of the unique characteristics of the SME context. According to Sen and Cowley (2013), in SMEs, decision making is often centrally controlled, as it tends to revolve around their managers; in other words, key management decisions are often made by one or two individuals. These individuals/management team are often strongly influenced by the SME manager (Sam *et al.*, 2012), including the SME's organisational practices (Higgins *et al.*, 2013). They often run highly centralised management structures, with few hierarchical levels which are strongly influenced by their personal values and intuitions (Macmillan, 1975, Mintzberg, 1979). Thus, considering that this research requires information on how social capital plays a role in knowledge transfer between managers of SMEs, the managers represented the most suitable source.

3.5 Sampling

Choosing a research sample is a very critical step in the research process, considering that it is not possible to study an entire population in any particular research project (David and Sutton, 2011). Hence, it is important to select a sample from the overall population. The selected sample is a segment of the entire population from which extrapolations or inferences are drawn on the basis of available evidence (Bryman, 2012; Easterby-Smith, Thorpe and Jackson, 2012).

Sampling methods can be divided into two types: probability or representative sampling and non-probability or judgmental sampling (Saunders, 2011). One of the main differences between a probability sampling and a non-probability sampling is that a probability sampling involves random selection, while a non-probability sampling does not. Figure 3.1 depicts important differences of the various sampling types.

<u>Types of sampling</u>	<u>Purpose of selection</u>	<u>Basis for selection</u>	<u>Typical use</u>	<u>Typical sample size</u>	<u>Likely resources</u>
	Representative sample	Probability sampling Random selection	Large-scale research Quantitative data	Large	High cost Time consuming
Random	↑	↑	↑	↑	↑
Systematic					
Multistage					
Cluster					
Stratified	↓	↓	↓	↓	↓
Quota					
Snowball	↑	↑	↑	↑	↑
Theoretical					
Purposive	↓	↓	↓	↓	↓
Convenience					
	Exploratory sample	Non-probability sampling Deliberate choice	Small-scale research Qualitative data	Small	Low cost Quick
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Figure 3.1: Sampling Methods

Source: Denscombe (2014, p. 45)

Considering the fact that this research aims at focusing on qualitative interviewing for the purpose of deeply understanding how social capital influences the transfer of knowledge in Nigerian SMEs, adopting a non-probability sampling design is therefore appropriate.

3.5.1 Sampling method used for the study

Purposive Sampling

This sampling method is also called the judgment sampling method, mainly because the researcher employs their judgment in selecting the appropriate samples, which is often sources or individuals who have the information and would be willing to share it (Saunders *et al.*, 2009; Oppong, 2013).

This sampling method is often useful when a researcher's aim is to describe a phenomenon, develop a historical reality or study a phenomenon about which very little is known (Kumar, 2011). Idealistically, to accomplish perfect results from the adopted research process, the researcher should endeavour to consider the entire population as the body of data (Saunders *et al.*, 2009; Oppong, 2013). However, this approach may not always be possible because of the various limiting factors, such as the slim practicality of successfully completing this in a large population, with time and budget constraints (Saunders *et al.*, 2009).

This type of sampling is not chosen with the goal of spawning a theory or creating theoretical categories, but this is based on the proficiency to afford answers to the research questions in the area being researched. According to Bryman (2012), non-probability sampling can be implemented in some ways: sequential or fixed; thus, allowing the criteria for selection to be fixed *ab initio* or based on a mix of both.

Purposive sampling has a number of advantages: one of which is that it aids the recruitment of the participants who are capable of answering the research questions, thus eventually achieving the aims and the objectives of the research (Bryman, 2012). Nevertheless, there are some limitations associated with it, as it is challenging to generalise the findings to a whole population. Rather, the findings reflect the context being investigated (Bryman, 2012). The outcomes of this study are not intended at realising statistical generalisations, therefore purposive sampling is best suited for this research.

Selecting Participants

The European Commission classified SMEs as businesses with between 1 and 250 employees (Lukas, 2005). Findings from some studies reveal that SME managers' values, attitudes and beliefs influence how SMEs are managed and that their input in decision making really counts (Fassin *et al.*, 2011; Williams and Schaefer, 2013). As the study aims to explore

the influence of social capital on knowledge transfer between the managers of Nigerian SMEs, Nigerian SMEs serve as the population for this study.

Hence, in the case of this research, selecting a sample is ideal compared to collecting data from every SME manager in the population. These participants were recruited from the Daystar Business Forum (DBF) database and they all operate in the Western region in Nigeria, as it is considered the nation's economic nerve centre, controlling about 50% of the country's economic activities (Ajayi and Morton, 2015) and is the area with the largest concentration of SMEs (Okpara and Okpara, 2011).

Further, participants were selected because they were SME managers who are involved in knowledge transfer to other SME managers. They must be Nigerians who manage SMEs in Nigeria with staff strength of between 1 to 250 employees. Table 3.2 illustrates a classification of the interview participants.

Table 3.2: Classification of individual interview participants for the study

	Age Group	Gender	Education	Industry	Employees	Years of Experience
SC 01	35-44	Male	University	Information technology	20	4
SC 02	35-44	Male	University	Management consulting	50	5
SC 03	35-44	Male	University	Logistics and manufacturing	20	12
SC 04	45-54	Male	University	Security and surveillance	106	7
SC 05	45-54	Male	University	Meat processing	8	2
SC 06	25-34	Female	University	Management consultancy	6	6
SC 07	34-45	Male	University	Industrial cleaning	80	10
SC 08	34-45	Female	University	Cultural and natural manufacturing	12	6
SC 09	34-45	Female	University	Financial consulting	3	5
SC 10	34-45	Male	University	Interior design and manufacturing	19	6
SC 11	34-45	Male	University	Idea development and branding consultancy	3	6
SC 12	34-45	Male	University	Management consulting	32	14
SC 13	34-45	Male	University	Health care services	22	21
SC 14	34-45	Female	University	Legal consultancy	4	6
SC 15	34-45	Male	University	Make over and construction	20	8

SC 16	44-54	Male	University	Text media	12	18
SC 17	34-45	Male	University	Learning and development consultancy	10	12
SC 18	34-45	Male	University	Marketing communication	16	6
SC 19	34-45	Female	University	Co-working space	4	1
SC 20	34-45	Male	University	Furniture design and manufacturing	4	1
SC 21	34-45	Male	University	Consulting and training	6	8
SC 22	44-55	Male	University	Construction	50	18
SC 23	44-55	Male	University	Print media and consulting	100	10
SC 24	34-45	Male	University	Management and financial consulting	15	10
SC 25	44-55	Male	University	Management consulting	15	3
SC 26	54-65	Male	University	Marketing communications	10	28

3.6 Interviews

Given that this research aims to explore the impact of social capital on the transfer of knowledge within Nigerian SMEs, the willingness (motivation) to share information, clear understanding of the phenomenon and the possession of the relevant knowledge must be considered while selecting participants (Kvale and Brinkmann, 2009; Kumar, 2011). Moreover, given that this qualitative research, which also adopts an interpretive research paradigm, requires that the researcher extracts an in-depth and robust understanding of the phenomenon from the perspective of the participants, the semi-structured interview is adopted because of the flexibility, liberty and structure it provides (Kumar, 2011; Saunders *et al.*, 2009, 2011).

Semi-Structured Interviews

This type of interview provides some form of structure by ensuring that the researcher has a clear list of issues to be addressed, headings to guide and questions to be asked. However, this approach still embraces some form of flexibility in specific areas, such as the questions to be asked, the order the topics will be considered in, and specifically allowing the respondents to express themselves freely, and develop their own concepts about the phenomenon being examined (Denscombe, 2010).

Prior to the interviews, formal letters were distributed to interview participants ahead of time. This was to officially inform them of the purpose of the study, the duration of the interview, and also to clarify confidentiality issues. The interviews lasted between 45 minutes and 1 hour. Considering that the study aimed at understanding how social capital influences knowledge transfer among Nigerian SME managers, the sample selection is based on individuals (SME managers), rather than an organisational-level analysis. The preliminary interviews involved six participants (SME managers). The selected participants include: construction firms and management consultancy firms.

One-to-One Interviews

This is the most common form of interview. This type of interview involves the meeting of the researcher and the informant, and is relatively easy to manage because the expressed opinion is often that of the interviewee (Kvale, 2008). Hence, the researcher has only one individual to manage, guide through the interview agenda, and one individual's ideas to comprehend and transcribe (Denscombe, 2014).

This method is adopted here because beyond the fact that the research aims to explore the impact of social capital on knowledge transfer between managers of SMEs operating in Nigeria, the interviewee would feel free to share intimate information, which they might be unable to disclose in a group interview or focus group (Kvale and Brinkmann, 2008).

Table 3.3: Sampling, interview types and participants

Sample Type	Interview type	Participants interviewed	Number of interviews
Snowball sampling	Semi-structured (1st round: preliminary study)	SME managers	6
Purposive sampling	Semi-structured (2 nd round: Main study)	SME managers	26

Preliminary study

The preliminary phase of the research involved an interview of six SME managers from the consulting and construction industries in Nigeria, which lasted between forty-five minutes to one and a half hours. This phase aimed to ascertain the feasibility of the research project and gain first-hand insights into Nigerian SME managers' perspectives on how social capital influences knowledge transfer. The preliminary research was based on a semi-structured interview guide which utilized the qualitative research design suggested by Cresswell (2006).

The interview questions were pre-planned to provide some degree of guide. The questions were open-ended in order to create the opportunity for participants to bring in personal

examples, experiences and contextual perspectives on how social capital influences knowledge transfer. However, after the interview, the questions were revised and updated as some of the questions were either irrelevant, unclear or did not address the how and why social capital influences knowledge transfer. In other words, they did not help the research achieve his research aim and objectives. See appendix 3

At the preliminary stage, the researcher adopted a snowball sampling method which facilitated access to participants as each participant linked the researcher to another willing participant. However, after a couple of interviews, the researcher observed that the respondents seemed to share similar perspective, same industry, and in some cases similar responses.

Although, these participants were easy to access because the researcher leverage on their social network to access them. The researcher had to modify the research sample in the main study in order to explore participants in other industries in Nigeria see Table 3.3.

The main study adopted Purposive sampling as was highlighted in section 3.5.1 and this eventually led to the addition of 13 industries. Although, qualitative researchers do not aim to generalise their findings, but exploring their phenomenon from different perspectives helps improve the rich context of their results.

More so, the unit of analysis was slightly modified from SME owner-manager to SME manager. This modification was predicated on the fact that the researcher observed that some SMEs were not run on a day-to-day basis by their owners hence could not provide answers to some of the research questions. On the other hand, SME managers (who sometimes were also owners) were more suitable to address the research questions because they were actively involved in knowledge transfer with other SME managers. This

modification was important as it was in alignment with Purposive sample which was adopted for the main study.

Preliminary Interview Journey

The preliminary interview involved six Nigerian SME owner-managers, and as stated earlier the interviews lasted between 45minutes to One and half hours. The research questions were drawn from the research aim and objectives which were developed from literature in order to address the research gap. The preliminary interviews were analysed following the Six Thematic steps by Braun and Clarks, (2006). During the preliminary interviews, the researcher observed that some questions were quite ambiguous as different participants repeatedly did not comprehend them. Hence, they were revised and updated. More so, the analysis of the interview transcript, revealed that some of the responses provided by the participants did not address the research questions. Thus, the researcher had to learn to listen and probe better by asking follow-up questions to clarify and comprehend the participant's responses.

3.7 The Interviewing Process of this Research

According to Kvale (1996), a study should be holistically evaluated before the researcher begins the process as the data collection approach, analysis and verification method must be examined at the outset. Considering that the various stages of the interview contribute to accomplishing the research aim, the researcher enumerated below the various stages involved.



Figure 3.2: Seven-stage interview process (adapted from Kvale, 1996)

3.7.1 Thematizing

This phase highlights the importance of developing the interview questions based on the core themes the research seeks to explore. This implies that a significant part of the interview project takes place before the actual interview (Kvale and Brinkmann, 2009). Thematising an interview study comprises the explanation of the research purpose; the gaps in literature, in order to effectively contribute to knowledge. Hence, it is critical to clarify the questions of *what* and *why*, before focusing on how the interview would be conducted (Kvale and Brinkmann, 2009). Reviewing literature on knowledge transfer and social capital in SMEs provided a basis for identifying gaps in the subject area, while formulating the research objectives.

3.7.2 Designing

This stage involves planning the interview process and techniques to be adopted to obtain the required knowledge (Kvale and Brinkmann, 2009), putting into consideration the moral and ethical implications of the study. Specifically, as the researcher designs the interview process, careful consideration should be given to the number of people to be interviewed, coupled with

the available resources for the research (Kvale and Brinkmann, 2009). Putting resources into considerations, semi-structured interviews with six SME managers were used for this exploratory study, while twenty six interviews were conducted for the main study.

Informed consents were obtained through signed consent forms and interviewees were promptly informed of the nature and purpose of the research. An interview time was scheduled and before the interview commenced, the interviewer reminded the respondent the purpose of the interview. Confidentiality terms were re-emphasised and a brief summary of what would be covered during the interview was reiterated. Permission to record the interview was sought.

In line with the evidence from Myers and Newman (2007), room was made to accommodate additional questions that emerged during the interview; most importantly, a probing technique was encouraged to stimulate in-depth understanding of what the respondents have said. Finally, the transcript was shared with the participants to confirm that the words were appropriately transcribed to portray the meaning intended.

Interviews

The interview process took place on the basis on an interview guide (Kvale and Brinkmann, 2009). This guide consists of a list of open-ended questions categorized based on the objectives of the study: a copy of the interview guide can be found in the appendix 3.

The research participants were contacted for consent by telephone calls and emails. Moreover, the research participants received the interview questions ahead of time as this enabled them to familiarize themselves with the questions, prepare their responses, while also establishing the researcher's credibility (Oates, 2005). Considering that the research interview was a dialogue about a shared interest of the interviewer and the interviewee, it is important to present the interview procedure (Kvale and Brinkmann, 2009). The interview process involved sending all participants a cover letter, explaining the purpose and nature of the study before the interview. The participants were appreciated for agreeing to take part in the study, provided consent to append their signature, informed of their right to withdraw from the study

at any point, should they wish to. They were also guaranteed of the confidentiality of the information they provide during the interview, the researcher requested for permission to record the interview, engaged in the interview process and at the end, thanked them for their participation.

Interview scheduling, length and recording (semi-structured interview)

The interviews were initially scheduled to last between forty-five minutes to one hour, but eventually lasted for about fifty minutes to one and half hours. Documenting the interview is a critical part of the research process. Hence, researchers must ensure that appropriate steps are taken to accomplish this because attempting to store the interview information increases the possibility for bias and error (Oates, 2005). An audio tape recorder was utilized with permission to capture the entire conversation.

3.7.3 Data Transcription

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3.7.4 Analysing

According to Kvale and Brinkmann (2009), the purpose of the research as well as the nature of the interview material determines the method of analysis adopted. This research's purpose is to improve knowledge transfer between Nigerian SMEs managers which would impact their competitive advantage on the basis of data collected through semi-structured interviews. To accomplish this, Thematic Qualitative Analysis (TQA) was adopted for this study as it is quite suitable for qualitative data (Boyatzis, 1998) and aims to pick out patterns and meanings in the obtained data in addition to interpreting various aspects of the research aim (Braun and Clarke, 2006).

3.7.5 Verifying

This process entails defining the reliability, generalisability and validity of the manner in which the interviews were conducted. The nature of this study is qualitative and quite specific to the context being explored; hence, it cannot be generalised to other contexts. In order to ensure rigour and research quality, the validity and reliability of the study is x-rayed in line with the criteria for the evaluation of qualitative research as put forward by Bryman and Bell (2015) and Guba and Lincoln (1994).

The reliability of the findings from the interview denotes that this is consistent with the study's findings; on the other hand, validity ensures that the findings reflect the investigation truly explored what was intended to be investigated and that there are no grey areas (Kvale, 1996). Reliability and validity of the study were attained via the validation of the participants, auditing and triangulation of findings with information

from company websites and policies, and institutions in charge of SMEs in Nigeria (Guba and Lincoln, 1994; Bryman and Bell, 2015).

The process of validation from participants entailed that the findings of the study would be shared with the participants to confirm or refute the account that was provided by the researcher (Bryman and Bell, 2015). In order to do this the transcripts were shared with the respondents to confirm that the words were appropriately transcribed to portray the meaning intended during the interview and is in line with the area being investigated, i.e. the role of social capital in knowledge transfer within SMEs in Nigeria. The responses of the participants confirmed the accuracy of the information provided. Triangulation entails using data from multiple sources to confirm the research findings (Voss *et al.*, 2002; Bryman and Bell, 2015). To ascertain that this study is both valid and reliable, information was collected from participants and SME agencies, and findings triangulated with other reliable sources mentioned previously to verify the information, hence confirming the validity of the findings.

The auditing process detailed the research process in detail with peers being an active part of the process ensuring that the research followed due procedure (Guba and Lincoln, 1994; Bryman, 2012). This study followed the auditing trail with the step-by-step process; additionally, the themes and codes of quotes derived from the study were checked by other colleagues to ascertain that the interpretation was correct and that they were accurately assigned. This in line with Voss *et al.*'s (2002) evidence on inter-rater reliability which refers to the extent to which the explanation of the evidence is agreed or disagreed with. This was helpful in minimising the researcher's subjectivity and in confirming the findings of the data collected.

3.7.6 Reporting

The final stage of this process entails the study's findings being communicated and the methodology been implemented in a manner that is acceptable. The ethical considerations should be implemented in the manner with which the interviews and the entire study was conducted (Kvale, 1996). The stages of reporting are detailed in the analysis and findings chapter.

3.8 Data Analysis for this Research

Data analysis is defined as a systematic process of searching and arranging the data in order to gain understanding and find useful meaning (Saunders *et al.*, 2009; Boeije, 2010). This stage is interpreted to mean the application of relevant statistical techniques on the collected data (Saunders *et al.*, 2009). However, this process leads to making accurate sense of the collected data while verifying if the data answer the research questions and accomplish the research objectives (Bryman, 2007; Kumar, 2011). Data analysis in qualitative research aims to condense data to a more manageable amount for the researcher to effectively interpret and make sense of it (Bryman, 2012). This phase requires the development of a set of coherent conclusions drawn from the data and this being presented in a logical manner by the researcher; this however must align with the research paradigm selected by the researcher (Rice and Ezzy, 1999). This research adopts Thematic Qualitative Analysis (TQA) by Braun and Clarke (2006). The Computer Aided Qualitative Data Analysis Software (CAQDAS) NVivo 11 was also used to enhance the analysis. There are two parts to this study: the pilot study and the main study. This chapter captures the data analysis and findings from the exploratory study and details plans on how the main study was conducted. According to Easterby-Smith *et al.* (2012), CAQDAS tools aid the researcher's ability to get 'closer' to the data, and improve the accuracy, transparency

and general rigour of the data analysis process and results. Details of the data analysis process are provided in Chapter Four.

3.8.1 Thematic analysis

According to Lacey and Luff (2001), there is rarely a fast approach to qualitative analysis, considering that qualitative research is interpretative, therefore requiring the researcher to closely engage with the process. Although there are many research approaches a researcher can adopt, what determines the most suitable approach is the researcher's study, aim and objectives, including what the data plans to contribute (Lacey and Luff, 2001; Saunders *et al.*, 2009; David and Sutton, 2011).

Thematic analysis enables researchers to recognise, evaluate and document patterns (themes) within data (Braun and Clarke, 2006). It is common to what grounded theorists refer to as 'axial coding' or 'theoretical coding' (David and Sutton, 2011). This form of analysis involves the researcher searching for themes that would help them capture the meaning of the phenomenon being analysed (Daly *et al.*, 1997; Braun and Clarke, 2006). The procedure involves the "careful reading and re-reading of the data" in order to identify themes (Rice and Ezzy, 1999, p. 258).

It is a form of pattern recognition within the data, where emerging themes become the categories for analysis. This aids the process of comprehensive data organisation and description (Boyatzis, 1998; Attride-Stirling, 2001), coupled with the identification of themes which are often achieved through thorough reading of the transcripts. It aims to develop deeper-level themes, rather than shallow codes through the systematic construction of matrix demonstrations of increased depth and details (David and Sutton, 2011). These themes then become the categories the researcher analyses (Braun and Clarke, 2006).

The thematic analysis is labelled as a process suitable for use with qualitative information (Boyatzis, 1998; Fugard and Potts, 2015). This suitability is perceived in a myriad of rich text forms, which include social media, magazines and marketing text, coupled with visual materials; and is supported by its capability to represent its analysis in a graphical manner (Walters, 2016). Considering that thematic analysis focuses on the extraction of key themes from the researcher's data (Bryman and Bell, 2015), it is important to highlight that it supports the utilisation of different types of information in a systematic way. This increases the researcher's accuracy in grasping and interpreting what was observed about people, activities, situations and organisations (Boyatzis, 1998).

According to Braun and Clarke (2006), one of the key advantages of thematic analysis is its flexibility, which enables it to represent a researcher's complex account of the data in a rich and detailed way, thereby making it suitable for qualitative data analysis. They further shed light on it by defining it as "a method for identifying, analysing and reporting patterns or themes within data" (Braun and Clarke, 2006, p. 79). However, Boyatzis (1998) went deeper by highlighting that thematic analysis has many alternate aims which he recognises as: a way of seeing; a way of understanding and making sense of seemingly unconnected materials; a way of examining qualitative information; a way of observing a person systematically, an interaction, a team, a situation, an establishment; a way of converting qualitative information into quantitative data.

3.8.2 Approaches of Thematic Analysis

According to Braun and Clarke (2006), there are two approaches researchers can deploy in identifying possible themes and patterns within data. This includes the inductive approach and the theoretical approach.

Inductive approach: In this bottom-up approach, the highlighted themes are closely linked to the data. The collection of research data are often carried out mainly for the purpose of the research. Hence, the themes' extraction process is not influenced by prior theoretical assumptions. This implies that the data coding process is conducted without fitting it into any prior coding frame or the researcher's theoretical leaning. However, the reality of this approach is that no researcher can be completely separated from any theoretical and epistemological leaning because research data are not coded in an epistemological vacuum (Braun and Clarke, 2006). In this study, the inductive bottom-up approach to thematic analysis was followed.

Theoretical approach: Researchers adopting this approach are often driven by the researcher's theoretical and analytical leaning in the subject matter area. Although contrary to the inductive approach, the theoretical approach has the tendency to generate less rich description of the overall data. However, it enables the researcher to explore specific research questions at a much deeper level (Braun and Clarke, 2006).

However, there is an on-going debate as regards what thematic analysis is and how to carry it out (Braun and Clarke, 2006). In fact, many scholars describe it as a poorly designed tool for data analysis, particularly when it is compared with methods such as grounded theory and narrative analysis (Braun and Clarke, 2006).

3.8.3 Key terms of thematic qualitative analysis

Data corpus: This describes the entire data collected in the course of a particular research. In this particular study, the data corpus is all data gathered from the individual interviews and the focus group.

Data set: This represents the entire data from the data corpus being used for a particular analysis. The data set for this study is the data collected from the individual interviews and the focus group as the analysis includes all of this.

Data item: This is each individual data point collected for this study. For instance, every interview conducted for this study. This, together, makes up the data corpus or data set.

Data extract: This refers to an individual coded data chunk that has been identified within and extracted from a data item. For instance, an excerpt and individual quotes from the interview transcripts that are highlighted in the data analysis.

3.8.4 Justifications for thematic analysis

The fact that thematic analysis is not embedded in any theoretical framework raises the possibility of it being adopted by qualitative researchers (which I am), as it can be adopted within many theoretical contexts (Braun and Clarke, 2006). In other words, it would be suitable to explore my phenomena.

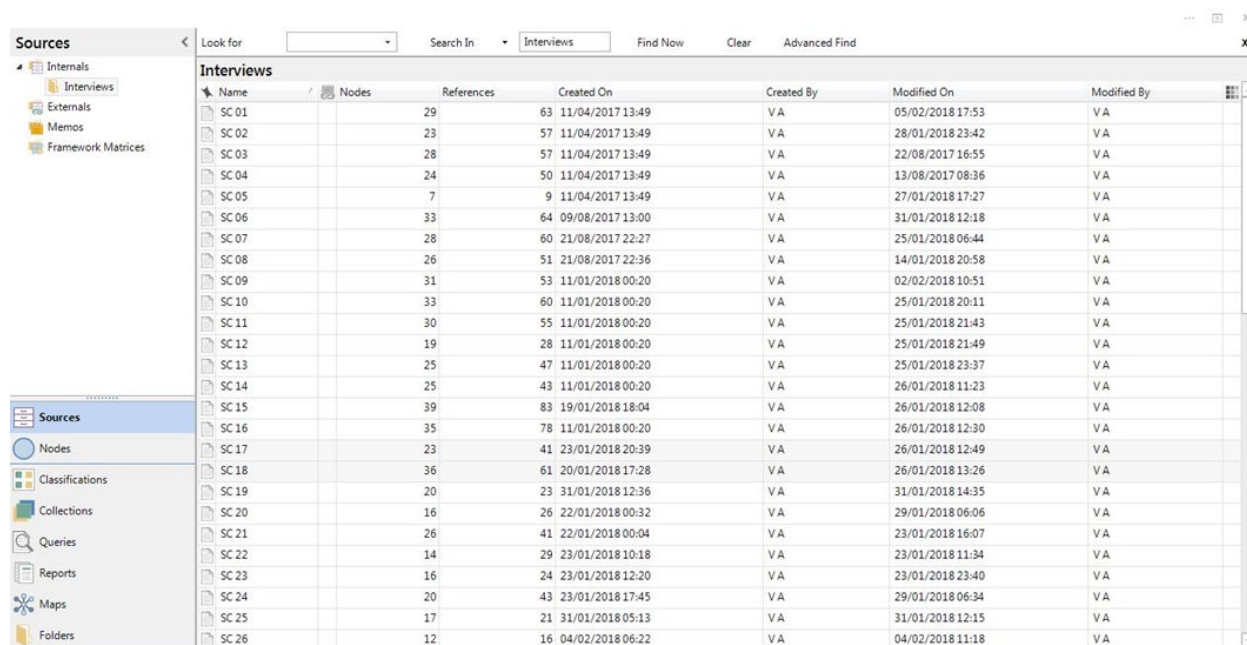
Moreover, thematic analysis can operate as an essentialist method which captures participants' experiences, interpretations and world views (Braun and Clarke, 2006); it is appropriate to adopt this, as I explore the role of social capital in knowledge transfer within SMEs in Nigeria.

To utilise the thematic analysis, I adopted Braun and Clarke (2006) step-by-step guide on how to carry out thematic analysis in qualitative research.

Import into NVivo

The interviews were completed, transcribed and uploaded to NVivo 11 software, a computer aided qualitative data analysis (CAQDAS). According to Easterby-Smith *et al.* (2012), CAQDAS tools assist the researcher to get 'closer' to the data, and improve

accuracy, rigour and general transparency in the data analysis process and results. Following phase four of the TQA process, the interview transcripts from this study were imported into NVivo 11 for further analysis. This is captured in figure 3.3.



Name	Nodes	References	Created On	Created By	Modified On	Modified By
SC 01		29	63 11/04/2017 13:49	VA	05/02/2018 17:53	VA
SC 02		23	57 11/04/2017 13:49	VA	28/01/2018 23:42	VA
SC 03		28	57 11/04/2017 13:49	VA	22/08/2017 16:55	VA
SC 04		24	50 11/04/2017 13:49	VA	13/08/2017 08:36	VA
SC 05		7	9 11/04/2017 13:49	VA	27/01/2018 17:27	VA
SC 06		33	64 09/08/2017 13:00	VA	31/01/2018 12:18	VA
SC 07		28	60 21/08/2017 22:27	VA	25/01/2018 06:44	VA
SC 08		26	51 21/08/2017 22:36	VA	14/01/2018 20:58	VA
SC 09		31	53 11/01/2018 00:20	VA	02/02/2018 10:51	VA
SC 10		33	60 11/01/2018 00:20	VA	25/01/2018 20:11	VA
SC 11		30	55 11/01/2018 00:20	VA	25/01/2018 21:43	VA
SC 12		19	28 11/01/2018 00:20	VA	25/01/2018 21:49	VA
SC 13		25	47 11/01/2018 00:20	VA	25/01/2018 23:37	VA
SC 14		25	43 11/01/2018 00:20	VA	26/01/2018 11:23	VA
SC 15		39	83 19/01/2018 18:04	VA	26/01/2018 12:08	VA
SC 16		35	78 11/01/2018 00:20	VA	26/01/2018 12:30	VA
SC 17		23	41 23/01/2018 20:39	VA	26/01/2018 12:49	VA
SC 18		36	61 20/01/2018 17:28	VA	26/01/2018 13:26	VA
SC 19		20	23 31/01/2018 12:36	VA	31/01/2018 14:35	VA
SC 20		16	26 22/01/2018 00:32	VA	29/01/2018 06:06	VA
SC 21		26	41 22/01/2018 00:04	VA	23/01/2018 16:07	VA
SC 22		14	29 23/01/2018 10:18	VA	23/01/2018 11:34	VA
SC 23		16	24 23/01/2018 12:20	VA	23/01/2018 23:40	VA
SC 24		20	43 23/01/2018 17:45	VA	29/01/2018 06:34	VA
SC 25		17	21 31/01/2018 05:13	VA	31/01/2018 12:15	VA
SC 26		12	16 04/02/2018 06:22	VA	04/02/2018 11:18	VA

Figure 3.3: Screenshot of transcripts as textual data imported into NVivo 11

3.8.4.1 Approaches to thematic analysis

There are number of ways to analyse qualitative data. A summary of steps were provided for thematic analysis by Boyatziz (1998) adopting a theoretical approach and data-driven approach. Correspondingly, Miles and Hubberman (1994) put forward that the analysis of qualitative data could be analysed adopting a data-driven approach, theoretical-driven approach and a hybrid approach that entails a deductive and an inductive approach. Data-driven approaches are utilised when codes are generated from unworked data. Theoretical-driven approaches are utilised when codes are generated from a conceptual framework, variables, hypothesis and an array of research questions investigated by the researcher (Braun and Clarke, 2006; Boyatzis, 1998; Miles and Hubberman, 1994). A hybrid approach is implemented when an

inductive and a deductive approach is being adopted by the researcher. A theoretical-driven approach is presented in this research utilising Lewins and Silver's (2009) CAQDAS called NVivo.

3.8.5 Computer Assisted Qualitative Data Analysis Software (CAQDAS)

This software is integrated with the process of thematic data analysis; this aids the analysis of a large data set. CAQDAS is a software which is designed to assist in the analysis of qualitative data and makes provision for various types of qualitative data: video, texts or audio (Bryman, 2008; Lewins and Silver, 2009). There are other types of tools that fall under this category including NVivo, which are utilised for thematic coding, concepts and contexts and to comprehensively analyse the context and subject being investigated which could be useful in building theory, testing or extending it (Lewins and Silver, 2009).

CAQDAS is beneficial in the analysis of large qualitative data (Silverman, 2000) and could be used in analysing different research approaches. The tool has a number of aids for the analysis of qualitative data; for example: coding, linking, mapping, query content search tools etc (Lewins and Silver, 2009). This could vary from one CAQDAS software to another and one tool may be best suited for one research but may not be for another (Silverman, 2000). Having said that, it is the duty of the researcher to ascertain the pros and cons of each tool and select which one is more appropriate for the analysis of the data collected for the study.

One of the most recognised tools is NUD*IST (Non-Numerical Unstructured Data Indexing Searching and Theorizing) and has a current development QSR NUD*IST Vivo which is now referred to as NVivo. Amidst other tools, NVivo is considered more appropriate for this study as it portrays an array of features of CAQDAS packages, making the process of coding and data retrieval more effective and efficient; thus

assisting in the process of data explanation and interpretation (Bryman, 2008). In addition, it affords the researcher leeway to be more rigorous in the analysis.

3.8.5.1 Selection Criteria for NVivo software

The choice of is dependent on the usefulness of the tool to the researcher over the period; this should not just be down to the availability of a tool. As Lewins and Silver (2009) put forward, this should take a careful, well thought out decision of what tool can offer effective data analysis. There was some basis for selecting a CAQDAS tool – NVivo – based on the functions as highlighted by Lewins and Silver (2009).

Structure of NVivo

Managing existing data within a single file is the primary reason for the selection of NVivo software in analysing qualitative data. Lewins and Silver (2009) refer to the created project file as a container that links all the other types of data files within the project and comprises of internal and external databases (Richards, 2009). Data can be imported which could comprise individual files and can connect to the data file in the original location. The researcher is able to access all aspects of the data sets (Richards, 2000).

Closeness to data

The NVivo software allows access to data as and when needed (Bryman, 2008); it makes it easy to access data without hassle and increases that closeness to the data. Previously, there has been an argument that software could be a hindrance between the researcher and data. Lewin sans Sliver (2009) is of the view that a CAQDAS that is customised to the researcher's needs, is more dependable than adopting a traditional manual approach.

Data exploration

There are different ways offered for qualitative data; some of which include annotation tools which afford the researcher the opportunity to use footnotes in making comments within some pieces of data without changing the coding level (Richards, 2009; Lewins and Silver, 2009). This is utilised in this research as it offers a tool that allows the data to be manoeuvred without obstructing the flow of the data analysis. Characteristics such as search tools can be used to search for cluster of words within the context. This provides easy access to different parts of the documents for easy retrieval of information (Lewins and Silver, 2009).

Functions for code and retrieval

The tool NVivo has paid significant attention to the exportation of coded information (Johnston, 2006). This tool like other CAQDAS tools allows for the easy retrieval and coding functions. These functions afford the researcher the flexibility to choose the structure of the codes and the coding strategy in both inductive and deductive combination (Miles and Hubberman, 1994; Lewins and Silver, 2009). This tool offers an opportunity to creative with data sets which may be exported to statistical programs and can afford the researcher the ability to look at the original data set for more interpretation.

Data organisation

The files, i.e. abstracts, literature lists that are formatted and converted into accepted formats can be cross-referenced and coded within the software itself (Lewins and Silver, 2009). This helps to organize data based on facts and data types that could be compared later; this allows the flexibility of several works to be carried out before the main data is imported and further analysis conducted. This might lead to cause new

questions to emerge. Using NVivo is not a one-off event but an iterative process that affords the researcher the opportunity to fine-tune their thoughts.

Searching and Interrogating the Database

CAQDAS tools provide means through which data collected can be cross-examined; Lewins and Silver (2009) refer to this process and involving a search for data content on the relationships codes depending on how they are linked to the data. In the same vein, Johnston (2006) noted that this tool is well detailed enough to allow the themes to be compared and contrasted. The attribute called nodes and documents allow the researcher to take out themes based on known features and include other emerging themes. The search tools allow for the researcher to combine effective coding with the descriptive element of the research work.

3.9 Time Horizons for the Study

This influences the research design taking into consideration the time spent in the process of research. There are two time horizons: longitudinal and cross-sectional. A cross-sectional study focuses on a specific phenomenon in relation to multiple cases at a point in time (Saunders *et al.*, 2012; 2009; Bryman, 2012). There is evidence that suggests this is used mostly in the positivist paradigm; that notwithstanding, it is also quite popular with qualitative research (Saunders *et al.*, 2012; 2009; Bryman, 2012), particularly for unstructured and semi-structured interviews (Bryman, 2012).

Conversely, longitudinal studies entail change within the study over a period. Data is collected over a period and from the same population covering the same subject and it is implemented to help assimilate change processes over time, e.g. ethnographic research (Saunders *et al.*, 2012; 2009; Easterby-Smith *et al.*, 2012).

This study adopted a cross-sectional approach to understand the role of social capital in facilitating knowledge transfer in Nigerian SMEs at a particular time. Also owing to time and financial constraints of the PhD programme, this approach was more feasible. Going forward, the latter approach may be considered.

3.10 Ethical Consideration

This has always been an issue that has been up for debate over the years in academic research despite different philosophical stances (Denzin and Lincoln, 2000; Saunders *et al.*, 2009, 2012; Easterby-Smith *et al.*, 2012; Bryman, 2012). Ethical consideration is an essential part of research and these issues could arise at any phase of the study. This relates to what is appropriate as it relates to the behaviour of the researcher and as it relates to the participants involved in the study and how they are impacted by it. Within the confines of academic research, this refers to how the research topic is formulated, the study is designed, how access is gained, data is collected, stored and processed, and findings are written in a morale way (Saunders *et al.*, 2009, 2012).

Despite the debate about what a good ethical practice entails in academic research, there are four main areas that are of major concern: participant harm, invasion of privacy, deception and no informed consent (Bryman, 2012). This categorisation is in line with Christian's (Kale and Perlmutter) for how inductive research should be undertaken. This comprises of: consent from participants, deception, participant's privacy and confidentiality and accuracy in reporting data. This is discussed succinctly below.

Participant harm

It is the responsibility of the researcher to conduct the research in a way that it does not harm the participants. Based on the specifications of the British Sociological

Association's Statement of Ethical Practice, it is important that steps are taken to safeguard the participants from anything that would put them in harm's way (Bryman, 2012). This study did not present any health or safety concerns to the participants and the research was conducted in an ethical manner in line with the guidelines of the Business School of the University of Bedfordshire. Also, ethical approval was sought before data collection commenced. Issues of confidentiality and privacy were sought from the participants and information was obtained promising anonymity throughout the entire process. Data was password protected and stored in a secure database within the university. Finally the data was collected and presented accurately.

Informed Consent

Getting consent from the participants means that participation in the research is voluntary and agreement is based on full information being provided (Christian, 2000). In order for the participants to make an informed decision to participate in the study and fulfil the requirements of the ethical consideration appropriate steps were taken. These steps include being supplied with all the relevant information as regards the research, to which they satisfactorily appended their signature. This also detailed all that the research comprises of including the implication of participation. This helped to safeguard the researcher in case any issues are raised by the participants in the future. This has some limitations as the participants may decide not to participate in the research as it may raise issues of involvement (Bryman, 2012).

Confidentiality and Privacy

The participants were assured of confidentiality and safeguarding from unintended exposure. Hence, to accomplish this, the recordings and the dissemination of data collected were properly dealt with (Bryman, 2012). This involves protecting the identity

of the participants and the organisation; replacing their real names with codes as depicted in the table above.

Deception

The participants were given full information in relation to the research being conducted, so that it is not misinterpreted (Bryman, 2012). This is to guard against deception and ensure that the participants have full knowledge of what the study is about. To guard against this, a covering letter was given to all participants with detailed information and with the clause stating that participation in the study was entirely voluntary and they could withdraw at any point without providing any explanation.

Summary of Research Process

The research process embarked upon by the researcher was illustrated in figure 1.1.

1. The research subject areas were highlighted and defined.
2. An initial literature review leading to the exploration of previous research in the field, identifying possible gaps in literature.
3. A preliminary study to determine the viability of the research.
4. The literature review was on-going to ensure the research was up to date with new findings.
5. The main study was conducted.
6. Analysis of data obtained from the main study with the help of NVivo 11.
7. Development of a conceptual framework of how social capital influence knowledge transfer from the discussion chapter.

4.0 Chapter Four: Data Analysis and Discussion

4.1 Overview

Data analysis enables a researcher to make sense of the data collected in order to make relevant interpretations from it (Bryman, 2012). It summarises the collected and collated data into manageable forms, while extracting meaningful outcomes from it to address the researcher's questions, aim and objectives. This chapter examines the data analysis processes utilised in this research. It was carried out by deploying a bottom-up inductive thematic qualitative analysis (TQA) adapted from (Braun and Clarke, 2006) using NVivo 11.

The researcher also accomplished the discussion of the findings by setting the following key objectives: ***To understand how Nigerian SME managers develop social capital. To understand how Nigerian SME managers transfer knowledge among each other. To examine how social capital influences knowledge transfer within the context of SMEs in Nigeria.*** This provided the necessary background for discussing the findings of the research. Hence, this chapter aims to achieve the research objectives of this study, while also depicting and discussing the findings.

4.1 Preliminary Study

A preliminary study was conducted to ascertain the feasibility of the research and to gain first-hand insight into the perspectives of Nigerian managers on how social capital influences the transfer of knowledge among SME managers. After this phase, the interview questions were revised, modified and expanded to enable the researcher to better examine the themes. This enabled the researcher to explore the research aim and objectives, considering that most research in this area focused on knowledge transfer between employees within single organisations (Kang *et al.*, 2010; Wei *et al.*, 2011), and multinational organisations (Inkpen and Tsang, 2005; Levin *et al.*, 2015).

The preliminary study allowed for the gaining of insights into this phenomenon, which helped to guide the study. Moreover, according to Kwon and Adler (2014), social capital topics that appear to galvanise interests among researchers today seem to be more discipline- and topic-specific. This section of the research involves the collection of data from Nigerian SME managers who are involved in knowledge transfer. To accomplish this, thematic analysis was adopted.

4.1.2 Main Study

Research aim

This research aims to explore the influence of social capital in the transfer of knowledge among Nigerian SME managers.

Research objectives

1. To understand how Nigerian SME managers perceive social capital.
2. To understand how social capital develops in Nigerian SMEs.
3. To understand how Nigerian SME managers transfer knowledge among themselves.
4. To examine how social capital influences knowledge transfer within the context of Nigerian SMEs.

Research questions

1. How do SME managers in Nigeria develop social capital?
2. How does social capital influence knowledge transfer among Nigerian SME managers?

4.1.3 Research sample

Considering that this research is focused on exploring the influence of social capital in knowledge transfer in SMEs in Nigeria, the sample is gathered from the population of Nigerian SME managers. Particularly, participants are recruited from the Western region in Nigeria, as it is considered the nation's economic nerve centre, controlling about 50% of the country's economic activities (Ajayi and Morton, 2015) and is the area with the largest concentration of SMEs (Okpara and Okpara, 2011).

Semi-structured interviews were conducted with 26 SME managers from different sectors. The interviews were initially scheduled to last between forty-five minutes to one hour, but eventually lasted from about fifty minutes to one and a half hours. These participants were recruited from the Daystar Business Forum (DBF) database, which contains SME managers from different sectors.

The demographic information for the sample is contained in table 3.2

4.1.4 Data Analysis: Inductive Thematic Analysis

This section covers the research data, while demonstrating how they address the key research elements highlighted above. To accomplish this, an **inductive thematic analysis** was utilized. This bottom-up approach highlighted themes that are closely linked to the data. Hence, the theme extraction process was only broadly guided by prior theoretical assumptions. The reality of this approach is that no researcher can be completely separated from any theoretical and epistemology leaning because research data are not coded in an epistemological vacuum (Braun and Clarke, 2006). In this study, the inductive bottom-up approach to thematic analysis was followed. To utilise the thematic analysis, I adopted Braun and Clarke (2006) step-by-step

guide on how to carry out thematic analysis in qualitative research. Figure 4.1 shows the steps in the thematic qualitative analysis process.

Adopting inductive thematic analysis provided the researcher the opportunity to approach the data with an open mind. This process enabled the researcher observe emergent themes through out the data (Braun and Clarke, 2006). For instance, during the preliminary analysis, the researcher observed that in the course of the interview, many of the participants mentioned how they develop social capital, although this was not a question on the interview schedule. Hence, to address this, the researcher updated his research objectives by adding this element (see appendix 3), followed by a series of relevant questions to thorough explore it. However, some scholars disagree with the concept of emerging themes, as they opined that asserting that themes emerge implies that they exist in the data. However, if we look closely, we would observe that the themes emerge from our heads, our thinking about our data as we create links based on our own understanding (Ely et al., 1997)

More so, after the inductive thematic analysis of the preliminary interviews, the researcher observed that research data was missing some element of robustness. This was because some opportunities to probe further in order to explore why and how social capital influences knowledge transfer, how they transfer knowledge in their daily business activities and so on, were not taken. Hence, the research questions in the main study were revised to enable the researcher rectify this by probing further. For instance, after the preliminary inductive thematic analysis, the researcher observed that many of the participants' responses were mainly about understanding social capital and how they generally leverage it in their daily business activities. This was because the interview schedule highlighted mainly these type of questions with minimal question about how SME managers leverage social capital to transfer and receive knowledge. This led to the inclusion of questions exploring to knowledge transfer as well. See appendix 3

The interview questions were pre-planned to provide some degree of guide. The questions were open-ended in order to create the opportunity for participants to bring in personal examples, experiences and contextual perspectives on how social capital influences knowledge transfer (Kvale, 2009). However, during the inductive thematic data analysis, the researcher observed that some of the researchers' responses did not address the research aim because the questions were either ambiguous or irrelevant. Hence, the research questions were revised and updated to enable the researcher generate better responses in the subsequent interviews (main study) as a result of the improved interview questions. See appendix 3.

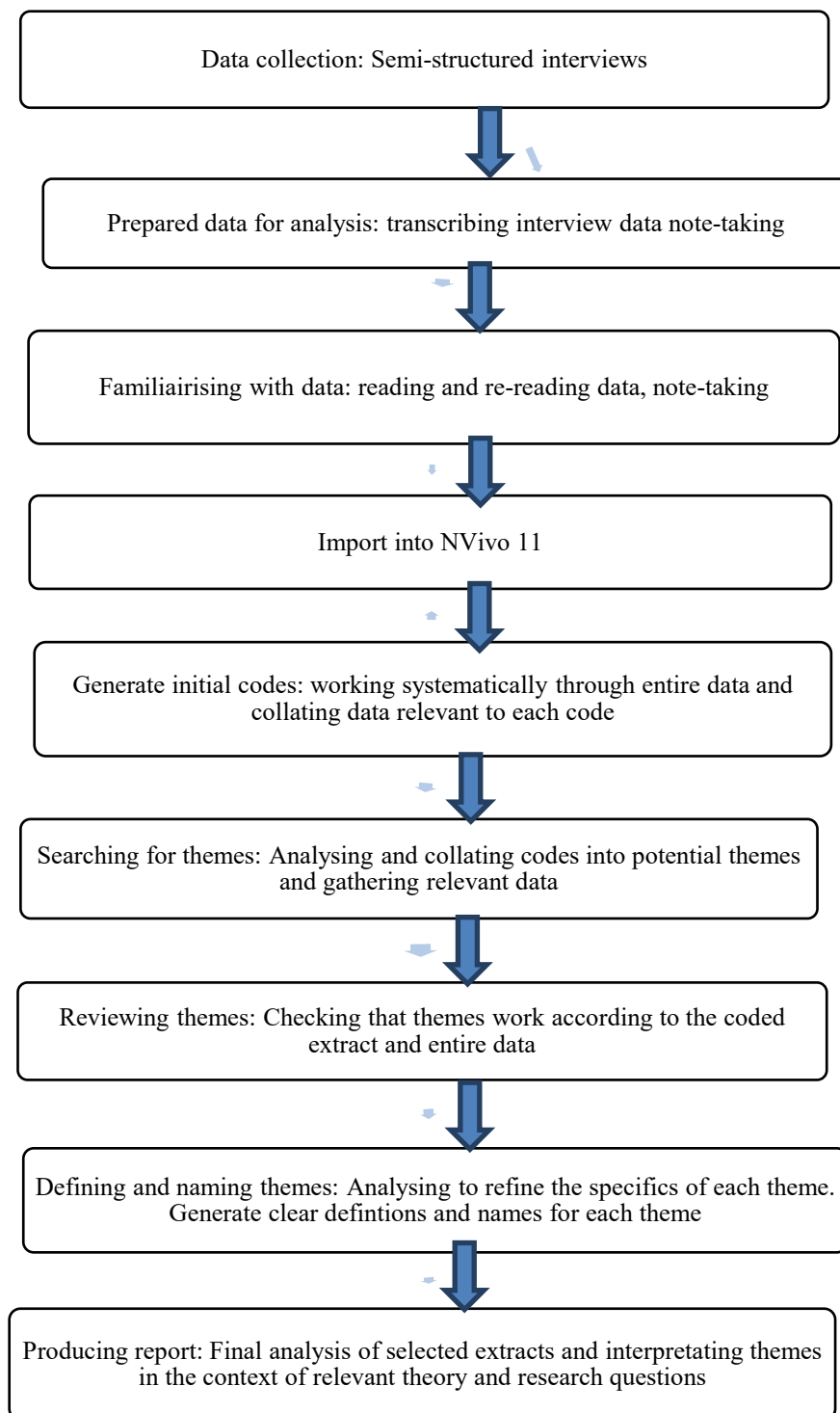


Figure 4.1: Thematic qualitative analysis process adopted for the research

Adapted from Braun and Clarke (2006)

Import into NVivo

The interviews were completed, transcribed and uploaded to NVivo 11 software, a computer aided qualitative data analysis (CAQDAS). According to Easterby-Smith *et al.* (2012), CAQDAS tools assisted the researcher to get 'closer' to the data, improve accuracy, rigour and general transparency in the data analysis process and results. Following phase four of the TQA process, the interview transcripts from this study were imported into NVivo 11 for further analysis. This is captured in Figure 3.3

4.2 The Thematic Analysis Process

The data analysis for this study adopts Braun and Clarke (2006) six phases as shown below.

Phase 1: Data familiarization

The semi-structured interview was used to collect data from Nigerian SME managers; these were recorded and promptly transcribed. Further, a thorough and rigorous process of reading and re-reading of every aspect of the data was conducted, leading to an immersive data familiarisation. Engaging in this process reveals possible codes, as these ideas were jumping out at the researcher (Braun and Clarke, 2006).

Following familiarisation with the data and highlighting exciting concepts identified in the data, the next step leads to the generation of initial codes from the data. Codes are the most fundamental elements of the raw research data, which give meaningful access to the phenomenon (Boyatzis, 1998). Coding identifies key characteristics of the data, while also organizing them into coherent and meaningful groups (Huberman and Miles, 1994; Braun and Clarke, 2006).

Phase 2: Generating initial codes

According to Braun and Clarke (2006), codes highlight characteristics of the gathered data, pointing out what is interesting about them, how they are linked and connected with each other. This stage aids the development of initial codes, which is also a key aspect of the analysis of the gathered data for the purpose of organising them into meaningful groups (Huberman and Miles, 1994; Braun and Clarke, 2006). Generating codes can either be carried

out manually or by using software (Braun and Clarke, 2006), thus, in this research, NVivo 11 software was deployed to accomplish this aim. Adequate attention was given to every section of the data, which enabled the researcher to capture repeated patterns. This was done by coding as many themes as possible, thereby opening up opportunities for making interesting discoveries down the line, which include retaining codes that tend to 'deviate' or are not in alignment with other codes (Braun and Clarke, 2006).

Further, coding involves identifying and classifying relevant data into meaningful groups (Braun and Clarke, 2006). Codes can be inductive or theory-driven, depending on the approach adopted by the researcher. An inductive approach is data-driven, that is the themes are derived from the data, while themes from a theory-driven approach are generated from specific questions which the researcher explored and sought answers to (Braun and Clarke, 2006).

This process was systematically carried out through the entire data set in order to ensure that detailed and holistic attention was given to each data item. This enabled the researcher to discover repeated and interesting themes in the data items across the data set. This also highlighted the fact that sections of the data that seem to depart from the central story being told should not be ignored.

Phase 3: Searching for themes

This stage of the analysis was embarked upon by the researcher after all the data had been carefully and thoroughly coded by the researcher. This was after the transcripts were read many times over to be certain that key information was not left out in the coding process (Braun and Clarke, 2006). During this stage, the analysis was taken one step higher by discovering the themes, a process that involves arranging the codes, carried out in NVivo 11 software. Carrying out this phase of the process, enabled the researcher to combine a few codes under new umbrella themes, while identifying potential links between them (Braun and Clarke, 2006). At this stage, every code is important, thus must not be discarded, even codes that do not 'fit'

into any particular theme can be temporarily tagged as 'miscellaneous' (Braun and Clarke, 2006).

Phase 4: Reviewing the themes

In this phase, themes are merged, especially weak or duplicate themes which were merged with other themes. Also, at this stage, themes with insufficient supporting data were discarded. It was important to ensure that though there may be many different codes, a vivid coherence must exist between codes which are merging to form a single one. The research data were reviewed to ascertain that this coherence exists between the codes merged under new themes, while also ensuring that there is a vivid difference between the themes. During this phase, the themes were reviewed many times to decipher whether they satisfactorily represented the entire data set gathered (Braun and Clarke, 2006).

Finally, this phase involved two levels of review. The first level of review involves the review of coded data extracts and review at the level of complete data set. The coded extract level includes a thorough check of each data extract to ascertain the existence of a coherent pattern. This is followed by a review at the data set level. This process involves a verification of individual themes' validity, in relation to the whole data set and in order to confirm that they accurately capture the meanings evident in the entire data set.

It is important to re-read the whole data set at this stage, in order to ascertain that the theme 'works in practice', in relation to the entire data set. This includes coding any additional data that may have not been identified at the initial coding stage (Braun and Clarke, 2006).

Phase 5: Defining and naming themes

During the process of data analysis and theme refinement, a few themes were discovered with corresponding supporting codes. Hence, this phase defined and refined each of the final themes, highlighted in **figure 4.3**, to demonstrate the essence of each one, while also showing the aspect of the data it captured (Braun and Clarke, 2006). A thorough analysis was demonstrated in **phase 6** to illustrate this.

At this stage, it is crucial to identify what is interesting in each data extract and why it is the case, while presenting an analysis of each theme. This captures how every theme fits into the overall emerging story being told by the data in alignment with the research objectives in order to minimise any overlapping. Themes names were also revised at this phase to enable them appear more concise, succinct and impressionable, hence, facilitating a clarification of the actual themes (Braun and Clarke, 2006). The NVivo screenshot below illustrates the set of themes. Also, captured in the tables below is a condensed version of some of the key themes; this includes their descriptions and the data extracts relating to each one.

Name	Sources	References	Created On	Created By	Modified On	Modified By
How SC influences KT		6	17 24/04/2017 19:28	VA	05/02/2018 17:40	VA
Cognitive SC		13	17 04/05/2017 18:29	VA	31/01/2018 14:18	VA
How SC influence KN implementation		4	16 01/2018 17:48	VA	05/02/2018 17:40	VA
How SC limits KT		9	12 08/05/2017 17:10	VA	05/02/2018 10:14	VA
Process		1	5 20/09/2017 17:09	VA	21/08/2017 18:01	VA
Relational SC		14	21 19/01/2018 04:24	VA	05/02/2018 17:40	VA
Structural Dimension		9	17 15/01/2018 21:06	VA	31/01/2018 14:30	VA
Culture		16	38 04/05/2017 14:29	VA	29/01/2018 06:06	VA
How Nigerian SME owner-managers Perceive SC		22	84 26/04/2017 14:47	VA	05/02/2018 17:40	VA
Barriers to SC		4	11 04/05/2017 18:03	VA	02/10/2017 12:38	VA
Benefit		5	13 15/08/2017 12:48	VA	25/01/2018 21:47	VA
Comparisons		2	2 13/08/2017 07:57	VA	31/01/2018 11:57	VA
Definition		19	30 22/08/2017 15:31	VA	29/01/2018 22:48	VA
How Nigerian SME Owner-managers Develop SC		20	111 25/04/2017 17:13	VA	05/02/2018 17:40	VA
Structural SC levels		4	5 25/04/2017 22:11	VA	05/02/2018 17:40	VA
Sustain SC		3	3 15/01/2018 05:56	VA	29/01/2018 22:48	VA
Triggers for Developing SC		2	6 20/09/2017 19:26	VA	05/02/2018 17:40	VA
How Nigerian SME owner-managers Perceive Knowledge Transfer		21	79 11/04/2017 13:59	VA	05/02/2018 17:40	VA
Benefit of Knowledge		1	1 17/01/2018 19:41	VA	17/01/2018 19:41	VA
Knowledge Definition		6	10 20/09/2017 17:21	VA	29/01/2018 23:12	VA
Knowledge Gap		13	30 16/01/2018 20:34	VA	04/02/2018 06:45	VA
KT		12	20 15/01/2018 21:29	VA	05/02/2018 17:40	VA
KT Channels		2	4 14/01/2018 20:55	VA	01/02/2018 20:21	VA
KT Motivation		8	16 19/01/2018 03:17	VA	29/01/2018 06:31	VA
How Nigerian SME owners-manager build Trust		15	37 26/04/2017 06:29	VA	05/02/2018 17:40	VA

Figure 4.2: Screenshot of main themes and some sub-themes

This research adopted the inductive thematic approach; hence the themes and coding process were not influenced by the researcher's aim, objectives and theoretical leaning, the highlighted themes are closely linked to the data (Braun and Clarke, 2006). These are particularly relevant because they shape the researcher's interview questions, based on the research paradigm.

Phase 6: Producing the report

This phase focused on writing up the report of the thematic analysis, mainly to tell a complete story of the research data as it unfolded through the researcher's journey. In this section, the

data were illustrated to provide a succinct, coherent, non-repetitive and interesting account of the story the data tells. This was supported by relevant data extracts to demonstrate the frequency of the themes. Clear examples of data extracts which captured the essence of the concepts being illustrated were utilised.

However, beyond this, extracts were embedded within the analysis in order to demonstrate the story being captured about the data in a manner that presents coherent arguments in relation to the research objectives.

4.3 Theme development

The thematic analysis process by Braun and Clarke (2006) enabled a number of themes to evolve, aided by the research question. Considering that this research adopted an inductive thematic approach, data that helped to address the research objectives were identified and effectively presented. These were grouped as main themes (referring to an umbrella theme) and sub-themes (lesser themes that feed into the umbrella themes). Figure 4.4 shows the main themes derived for this study. Each main theme and its attendant sub-themes were then illustrated and described in the subsequent sections.

Table 4.1 demonstrates the number of respondents who contributed to each main theme, as well as the total number of references or quotes associated with each main theme.

Table 4.1: Main themes of the study indicating the number of sources and references

Name	Source	Reference
How social capital influences knowledge transfer	6	17
Why SC is important to managers of Nigerian SMEs	22	84
How Nigerian SME managers develop social capital	20	111
How Nigerian SME managers perceive knowledge transfer	21	79

4.3.1 Linking main themes to research objectives

This section captures the discussion of the entire main and sub-themes generated for this study. In order to highlight how the themes meet the research objectives for this study, they are grouped in line with each research objective.

4.3.1.1 Objective one: To explore Nigerian SME managers' understanding of social capital

This is particularly important considering that the Nigerian SME managers are the research samples for this study. Hence, it is important to understand how they perceive social capital before considering their perspective on how social capital influences knowledge transfer. Moreover, understanding how they perceive social capital is important, considering that how social capital is perceived in China (Guanxi), Middle East (Wasta), and South Africa (Ubuntu) are all slightly different (check section 2.5). Additionally, considering that this study is interpretative, it is expedient to explore the perception of Nigerian SME managers on social capital.

Understanding Nigerian managers' perception of social capital

To begin with, participants were asked what their understanding of social capital is to confirm their understanding of the concept and to determine what they understood as social capital. Responses were categorised into sub-theme: 'definitions'. Figure 4.6 illustrates this theme and its sub-themes.

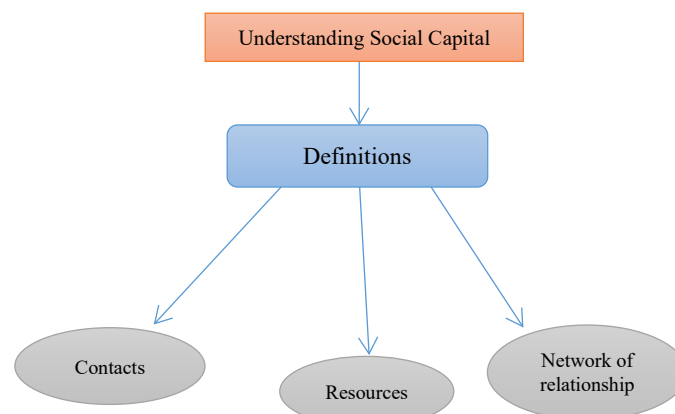


Figure 4.3: Understanding social capital main theme and its sub-themes

As part of explaining what they understood as social capital, participants gave various definitions of the term, 'social capital'. These responses were then grouped based on their focal points, resulting in six sub-themes. The sub-themes and the data which were extracted are shown in **table 4.2**.

Table 4.2: The definitions of social capital

Main themes	Sub-themes	Data extracts
	Contacts	<p><i>"Social capital is probably leveraging on relationships as well and your contacts to increase your bottom-line" SC 05</i></p> <p><i>"Social capital! It's like leveraging on the contacts you have, the people you know, you know? So that's... without paying money" SC 08</i></p> <p><i>"Social capital is simply what we call connection in Nigeria. It is the opportunities and benefits you enjoy by knowing and being known by relevant and key people in your business or community" SC 24</i></p>
	Resources	<p><i>"In my own understanding, if we are talking about social capital, I think we are talking about intangible resources; something that is of value, but is untouchable. That is the way I see it. Something that we need, but cannot carry around. That is the way i see it, let me just put it that way" SC 03</i></p> <p><i>"Social capital is that non-tangible asset that a person or a company has, you know. That is my understanding of it. It works, it works, if used as a salient thing that makes business go for you, you know". SC15</i></p> <p><i>"Social capital is the resources, referrals and opportunities in every relationships, interactions and contacts I relate with. In Nigeria for instance, it helps businesses get ideas, information about government policies, business changes and opportunities" SC 23</i></p>
	Network of relationships	<p><i>"Social capital is that network of interdependence, interrelationship in a way that will be beneficial to everybody. So, if you gather people together, you draw experiences from different people, by the time you put everything together, everybody can relate with it, everybody can learn from it and apply it and they will be better for it and the society at large will benefit as well." SC09</i></p>

		<p><i>"That should be like the network, personal network that you have, like, business associate, stakeholders, clients, you know, all that. That impacts your business directly" SC 14</i></p> <p><i>"Social capital is "people I know". Online, it is defined as the "collective value of the people you know". Of course, for anyone you know, there is some value attached. The ideal social capital is not just a number of people alone, but also the diversity of the people I know. That is what you get from sharing knowledge with businesses when building social network" SC 17</i></p>
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In line with **objective one**, Nigerian SME managers' perspective of social capital were discussed in the following section in order to shed light on what they are.

How Nigerian SME managers perceive social capital and knowledge transfer

In line with the **main theme** above, the following **sub-themes** were discussed: "**SME manager's definition of social capital**". This section aims to demonstrate the research findings and how objective one was achieved.

It also reviews the contextual perspective of social capital by Nigerian SME managers. SME managers stated their definition of social capital as **contacts, resources and network of relationships**; this enabled the researcher view social capital through the lenses of Nigerian SME managers.

4.3.1.2 Contacts

Nigerian SME managers perceive social capital as contacts, that is, a cluster of people who they know and who know them as well. This definition, which was cited by nine respondents, aligns with literature. Burt describes it as 'know-who', that is, everyone you presently know, everyone you knew, and everyone who presently knows you, even though you may not know them (Burt, 1992; Edelman *et al.*, 2002). For instance, the following quotes from three SME managers reflect this as follows.

“Social capital is probably leveraging on relationships as well and your contacts to increase your bottom-line” SC 05

“Social capital! It’s like leveraging on the contacts you have, the people you know, you know? So that’s... without paying money” SC 08

“Social capital is simply what we call connection in Nigeria. It is the opportunities and benefits you enjoy by knowing and being known by relevant and key people in your business or community” SC 24

However, one key thing about Nigerian SME managers is that they are careful about selecting contacts with integrity because of the weakness of institutions responsible for enforcing the rule of law in Nigeria. Hence, selecting contacts with integrity helps build trust, while drastically reducing the possibility of lawsuits. Moreover, considering that in Nigeria (collectivist culture), trust precedes business transactions, SME managers in Nigeria rely on it to determine who to collaborate with, what cooperative to join. This is especially important for SME managers, considering that they have limited resources and time to expend on non-productive outcomes. One SME manager expressed this thus;

“And so for me, it is important that the person has integrity, somebody that I can hold bold and open communication with, that can align with my values” SC 04

Further, other SME managers stated that besides integrity, one of the alternative ways to earn trust is through referrals. Hence, SME managers are able to access special privileges, resources and knowledge by being referred to specific knowledge repositories/sources.

4.3.1.3 Resources

Nigerian SME managers also perceive social capital as resources embedded in the social network and the interactions that happen between SME managers. This aligns to Bourdieu and Wacquant (1992) definition of social capital. Thus, SME managers explained that:

“In my own understanding, if we are talking about social capital, I think we are talking about intangible resources; something that is of value, but is untouchable. That is the way I see it, something that we need, but cannot carry around. That is the way I see it, let me just put it that way” SC 03

“Social capital is that non-tangible asset that a person or a company has, you know. That is my understanding of it. It works, it works, if used as a salient thing that makes business go far you, you know”. SC15

These resources are leveraged on by SME managers to get ahead in business, especially in a country like Nigeria with weak infrastructural support for SMEs. This makes accessing social capital even more important because it can be the difference between failing, surviving and thriving. However, SME managers are able to access these resources, e.g. knowledge, by selecting relevant knowledge sources: this they do by attending events, developing cohesion, mentoring relationship or volunteering. It is important to highlight that SME managers access resources through these processes because they guarantee that they are accessing quality and relevant knowledge from a trusted source.

4.3.1.4 Network of relationships

Nigerian SME managers also describe social capital as network of relationships embedded with mutual benefits. These networks of relationships serve as informal social structures which support SME managers by supplying relevant resources and knowledge in a mutually beneficial context. This was echoed by the participants:

“Social capital is that network of interdependence, interrelationship in a way that will be beneficial to everybody. So, if you gather people together, you draw experiences from different people, by the time you put everything together, everybody can relate with it, everybody can learn from it and apply it and they will be better for it and the society at large will benefit as well.” SC09

“Yes, I believe that it is a network of relationship among people, who live and work in a particular society, enabling that society to function effectively” SC 07

“That should be like the network, personal network that you have, like, business associate, stakeholders, clients, you know, all that. That impacts your business directly” SC 14

This network of relationships often exists between SME managers both within and outside the industry, hence allowing Nigerian SME managers to access resources and knowledge both within and outside their industries. This facilitates the transfer of knowledge between weak ties, which has been known to influence innovation (Granovetter, 1982; Putnam, 2000). Moreover, considering that social capital is also seen as resources, SME managers leverage on this network of relationships to secure resources in the future, based on reciprocity. However, contrary to literature that businesses hoard knowledge that sustain their competitive advantage (Nickerson and Zenger, 2004), when SME managers build close ties (Granovetter, 1982; Nahapiet and Ghoshal, 1998; Putnam, 2000), competitors can transfer trade secrets and knowledge. This was explained by an SME manager below:

“The guy gave me the secrets of his business that he cannot share with anybody, I mean we share some personal values together and he said, I think I need to tell you this. So for me, it is something I hold very dear. It is because I have that kind of close relationship that is why, I mean, people do not want to share such, particularly for a competition. The guy who gave this to me is a big competition. Competition won't tell you what will give you an advantage or a competitive edge above them”. SC 04

Further, some SME managers describe a network of relationships with a different term (interactions with people). This is because it is not enough to belong to a network of

relationships, the network actors must interact with each other for knowledge to be transferred. This was explained by an SME manager below:

“To my understanding, social capital is I will say your relationship with people that you have interactions with and how you leverage on such relationships for mutual benefit. That's my understanding of social capital. It is how you utilise your relationships to further your own course. SC 10

In other words, it is not enough to have access to a network of relationships, you must be able to present yourself as a person of integrity, as an SME manager who has the capacity to reciprocate and provide mutual value. This is notwithstanding the fact that network of relationships often exercise strong norms which sanction free-loaders.

Nigerian SME managers perceive social capital as contacts, resources and network of relationships that provide business advantages to a competitive environment. Hence, SME managers explore ways to access social capital because of the resources and knowledge it facilitates.

The next section discusses how Nigerian SME managers benefit from social capital in their daily transactions. Some of the benefits include ***builds trustworthiness, enhanced collaboration, future needs, business advantage, referrals, and knowledge transfer***.

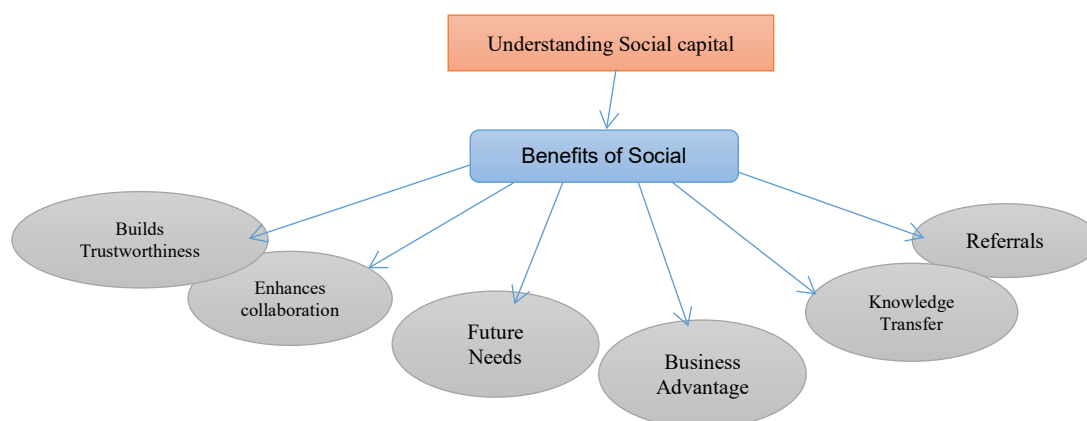


Figure 4.4: Benefits of social capital

As part of explaining what they understood as social capital, the respondents highlighted various ways they benefit from the social capital that exists between them and other Nigerian SME managers. These responses highlighted how the respondents perceive social capital. The sub-themes and the data which were extracted are shown in table 4.3.

Table 4.3: Benefits of social capital

Main themes	Sub-themes	Data extracts
Benefits of social capital	Trustworthy	<p><i>“When they trust you, when they know that they can do business with you, they can go to sleep even though they are their competition, they're rest assured that..., I mean, for a friend to tell another friend to collaborate to their competition, it's because they know that this person won't harm you in any way, she won't be a snitch” SC 19</i></p> <p><i>“I did not have access to formal credit, this is personal experience now, ok, and I tried to get from formal sources of fund and the rate was as high as 15% per month so I could not take it. I reached out to some of my friends, more of like mentors in business, I presented my case to them and I got some good millions from them at zero interest rate and they said I could use and return” SC 06</i></p>
	Enhances collaboration	<p><i>“Yes, to create a win-win environment. Bottom line is the guy has to know that, ok, this guy I have in mind is not coming, we have a relationship, so he is not coming to kill my business, I'm not going to kill his business. We are all going to do things together and everybody will be happy at the end of the day. It has to reflect in everything, the way I handle things, the way I relate and all that” SC18</i></p> <p><i>“Yes, we do because we have association. We transfer knowledge, we have a forum, they ask questions, if they are stuck somehow, we step in. Yesterday, I went to do a job, the job was gotten by another consultant, but he was deficient in that area. I did the job while he was watching, some other time, he may not need me to do the job” SC 24</i></p> <p><i>“I did mention when I was trying to explain social capital that for example if I have a friend in say the manufacturing sector and he needs me for something else, different from the learning and development circle, the moment I get a</i></p>

		<p>client from the manufacturing sector and he needs information, I can then proffer some solution, it is very likely that I will call this my friend as an expert to enlighten me on some parts” SC 17</p>
	Future needs	<p>“I think on the larger scale, it is social capital, so I may not need something from that person now, but it is possible that the diversity they bring to that network might actually be the key difference sometime in the future” SC 17</p> <p>“Yes, yes, yes, you just keep a good relationship, i will call it investment relationship, because the truth of the matter is that nobody is useless to you, you know if we are not doing business today, it does not mean we will not do business tomorrow” SC 18</p>
	Knowledge Transfer	<p>“The guy gave me the secrets of his business that he cannot share with anybody, I mean we share some personal values together and he said, I think I need to tell you this. So for me, it is something I hold very dear. It is because I have that kind of close relationship that is why, I mean, people do not want to share such, particularly for a competition” SC 04</p> <p>“I don’t think it does. No, no, the more, the more social capital you are able to enjoy, the more knowledge you will be able to acquire” SC 10</p> <p>“Some may, some may not. Some may not like that they have given you all that knowledge, so may not because there is no relationship between you. The guy may have loved to help, but because there is no relationship between you, I don’t think it will foster knowledge transfer. I hope I answered the question” SC 19</p>
	Referral	<p>“You get referrals, you know, when you are doing the job, you also need references from people, information in a particular industry, particular organisation, just by asking across your network” SC 25</p> <p>“And some of them start business by, by friends, relatives, you know, you build your profile from there, before you now start moving to other spheres of influence, you know. It becomes your point of referrals, all the experiences that you’ve built, you know, you move up from” SC 07</p> <p>“Same thing when it comes to referral, people will send others to you, not because you pay, but they trust, they trust</p>

		<i>that you cannot fight them in that level... I got a job with someone who is now a government official, simply because the person trusts me enough not to mess up the network and I have reciprocated” SC 11</i>
	Business Advantage	<p><i>“Social capital gives you proprietary lead-way, as tough as it is. It's like me having somebody close to me in the back of the industry as we speak, either packaging you for somebody. Where ordinary persons couldn't just go with a perfect proposal, walk through the gate and try to present it, I'll be head first because I'll walk in straight to the person, and say, this man here is my friend like you, we are trying to put things together, what do you think we should do? They want it to work faster this way. Meanwhile, the person coming from outside is just looking at the normal protocol”</i></p> <p>SC 25</p> <p><i>“It's like a clearing factor that is, what will 'clear' your way. If I say, I don't really know anyone, let me just go through the process, I may end up not getting what i want to get without someone. So you have to get someone and say do this for me, get this for me, that's the social capital in Nigeria for now” SC 08</i></p>

In line with objective one, the participants were asked to highlight how they benefit from social capital in their daily transactions. This was discussed in the section below.

4.3.2.0 Benefits of Social Capital

The previous sections explored how Nigerian SME managers perceive social capital. This section explores another sub theme; **how SME managers benefit from social capital**. To accomplish this, the following sub-themes are discussed below: **builds trustworthiness, enhanced collaboration, future needs, business advantage, referrals, and knowledge transfer**. This section does not just highlight the advantages SME managers experience, but also why this is important to them in the Nigerian context.

4.3.2.1 Builds Trustworthiness

Nigerian SME managers assert that social capital helps them build trustworthiness and gain access to resources, while accelerating the speed of transactions. Accessing networks of relationships bestows on SME managers a certain level of trustworthiness because

membership/access is usually tough as a result of the exclusive nature of most social networks. This was echoed by the participants:

“You know, that's just it. When they trust you, when they know that they can do business with you, they can go to sleep even though they are their competition, they're rest assured that..., I mean, for a friend to tell another friend to collaborate to their competition, it's because they know that this person won't harm you in any way, she won't be a snitch” **SC 19**

Moreover, other members feel safe to trust because of the reliable system of sanctions put in a place to punish erring members. This aligns with extant literature which asserts that norms and sanctions are ways of maintaining acceptable behaviours within social networks (Coleman and James, 1990; Putnam, 1995). This is especially important in Nigeria, a country with a high level of corruption and weak institutions. Hence, social capital provides an informal structure that helps to screen and vet people before they are invited into a network. This implies that generating trust precedes business transaction or knowledge transfer. However, this trust, which is sometimes built through referrals, is sustained when SME managers keep their promises and meet their obligations. Although trust may be initiated through referral, sustaining it depends on what SME managers do over a period of time. This was echoed by an SME manager below:

“for them to give you this SC, they must have seen you, either by evaluation, to see that you have a level of trust, that they could deal with you and know that you will not be able to fail. And after sometime, it is ble to increase from time to time as regards either the business or as regards the services, or as regards the goods given to you, or as regards proper development” **SC 13**

SME managers must ensure they deliver on their promises and obligations to enjoy continuous

'trustworthiness' in the network, as SME managers cannot afford to dissipate their limited resources.

4.3.2.2 Enhance collaboration

Nigerian SME managers assert that a key benefit of social capital is that it enhances intra- and inter-industry collaboration between managers of various SMEs. This collaboration facilitates trust and the transfer of knowledge between SME managers. Social capital creates an environment where SME managers can see potential resources and opportunities in other SME managers in their networks, which are often a catalyst for collaboration. Although, these collaborations, especially across industries, often lead to innovative ideas, there must be mutual trust between SME managers before it occurs. This was echoed by SME managers below:

"Yes, to create a win-win environment. Bottom line is the guy has to know that, ok, this guy I have in mind is not coming..., we have a relationship, so he is not coming to kill my business, I'm not going to kill his business. We are all going to do things together and everybody will be happy at the end of the day. It has to reflect in everything, the way I handle things, the way I relate and all that" **SC18**

"Yes, we do because we have association. We transfer knowledge, we have a forum, they ask questions, if they are stuck somehow, we step in. Yesterday, I went to do a job, the job was gotten by another consultant, but he was deficient in that area. I did the job while he was watching, some other time, he may not need me to do the job" **SC 24**

"I did mention when I was trying to explain social capital that for example if I have a friend in say the manufacturing sector and he needs me for something else, different from the learning and development circle, the moment I get a client from the manufacturing sector and he needs

information, I can then proffer some solution, it is very likely that I will call this my friend as an expert to enlighten me on some parts” SC 17

The findings revealed that social capital enhances intra- and inter-industry collaboration, which implies that SME managers can access knowledge and resources across their industry. Moreover, they can access knowledge within their industry from SMEs competing with them in the same market. This happens when there is a strong tie, for example, a mentoring relationship.

4.3.2.3 Future Needs

Considering that countries with a culture of high uncertainty avoidance like Nigeria often want some level of predictability (Hofstede *et al.*, 1991; Hofstede and Hofstede, 2005), Nigerian SME managers build social capital to ensure that they have some form of predictability and security in the future. Moreover, building social capital helps them gain access to a diverse repertoire of knowledge, especially when it is across industries. They accomplish this through mentoring and volunteering, and attending business trainings, business cooperatives, collaborations, social media and events. This is one key reason why they build social capital before they need it. This was echoed below by SME managers:

“I think on the larger scale, it is social capital, so I may not need something from that person now, but it is possible that the diversity they bring to that network might actually be the key difference sometime in the future” SC 17

“yes, yes, yes, you just keep a good relationship, I will call it investment relationship, because the truth of the matter is that nobody is useless to you, you know if we are not doing business today, it does not mean we will not do business tomorrow” SC 18

However, for this to happen, there must be a commitment to reciprocity, a sense of obligation, or sanction from the network.

4.3.2.4 Knowledge Transfer

SME managers leverage on social capital to gain access to relevant knowledge from other SME managers, both within and outside their industry. This implies that social capital influences knowledge transfer between Nigerian SME managers. However, SME managers are deliberate about where and who they get knowledge from, as getting inaccurate knowledge can prove to be disastrous, especially in Nigeria, a country with little support for SMEs (Etuk *et al.*, 2014). Hence, engaging in mentoring, volunteering, business trainings, business cooperatives, collaborations, social media and events does more than helping them gain access to knowledge: they also help them know who to get accurate knowledge from. This aligns with Nahapiet and Ghoshal (1998). This was echoed by the participants:

“The guy who gave this to me is a big competition. Competition won't tell you what will give you an advantage or a competitive edge above them. Competition won't tell you that, but this is a competition telling me that, guy, this is what I think you need to do and we are beginning to see results” SC 04

“I don't think it does. No, no, the more, the more social capital you are able to enjoy, the more knowledge you will be able to acquire” SC 10

“Some may, some may not. Some may not like that they have given you all that knowledge, so may not because there is no relationship between you. The guy may have loved to help, but because there is no relationship between you, I don't think it will foster knowledge transfer. I hope I answered the question” SC 19

This is especially made possible because knowledge in many SMEs is often embedded in the managers and particularly so in a high-context culture like Nigeria (Hall and Hall, 1990). Hence, during interactions (Nahapiet and Ghoshal, 1998), valuable knowledge, including trade secrets, are often transferred, highlighting the fact that social capital influences knowledge transfer between competitors.

4.3.2.5 Referrals

In Nigeria, a country with a high level of corruption and low level of trust, SME managers leverage on social capital to gain access to business opportunities and knowledge. This system is informally referred to 'man-know-man' in Nigeria. A system which encourages nepotism by ensuring that those who get the opportunities and the knowledge are people we know, rather than the most qualified. This was echoed by the participants:

"You get referrals, you know, when you are doing the job, you also need references from people, information in a particular industry, particular organisation, just by asking across your network" **SC 25**

"Same thing when it comes to referral, people will send others to you, not because you pay, but they trust, they trust that you cannot fight them on that level... I got a job with someone who is now a government official, simply because the person trusts me enough not to mess up the network and I have reciprocated" **SC 11**

According to Chollet *et al.* (2014), social capital helps SME managers gain access to referrals, which helps them reduce marketing costs (Trusov *et al.*, 2009). However, this study discovered that SME managers leverage on referrals (from social capital) as a form of security, protecting them from accessing moribund or inaccurate knowledge. It is also a way of keeping the business opportunities within their network, which ensures that the opportunities are given to credible people, not frauds.

How social capital influences knowledge transfer among Nigerian SME managers involves a number of elements because of its many dimensions (structural, relational and cognitive dimensions). To accomplish this, efforts were made to understand the situations and elements that shape the entire process. The three main themes that evolved in this study include: how Nigerian SME managers perceive social capital and knowledge transfer, how SME managers develop social capital in Nigeria, and how social capital influences knowledge transfer. These three themes mentioned above are discussed below with the aim of demonstrating how they address the research aim and objectives.

4.3.2.5 Business Advantage

Nigerian SME managers leverage on social capital to survive and thrive by gaining access to a competitive advantage in the marketplace. This is particularly important for Nigerian SME managers because the “Nigeria's business environment is situated in the midst of a challenging economic landscape and intense competition” (Uchegbulam and Akinyele, 2015). They accomplish this by leveraging on SME-to-SME manager collaboration and business cooperatives. This was echoed by the participants below:

“It's like a clearing factor that is, what will 'clear' your way. If I say, I don't really know anyone, let me just go through the process, I may end up not getting what I want to get without someone. So you have to get someone and say do this for me, get this for me, that's the social capital in Nigeria for now” SC 08

“Social capital gives you proprietary lead-way, as tough as it is. It's like me having somebody close to me in the back of the industry as we speak, either packaging you for somebody. Where ordinary persons couldn't just go with a perfect proposal, walk through the gate and try to present it, I'll be head first because I'll walk in straight to the person, and say, this man here is my friend like you, we are trying to put things together, what do you

think we should do? They want it to work faster this way. Meanwhile, the person coming from outside is just looking at the normal protocol” SC 25

The findings reveal that social capital helps SMEs to gain business advantage by saving time and avoiding red tape. However, according to Putnam (2001), this leads to the exclusion of individuals (SME managers) outside the network. In other words, it encourages nepotism and exclusion of other SMS managers who may be better qualified for specific opportunities. Another shortfall is that considering that business advantages are often generated within close ties, it can also limit the number of innovative ideas members of these network can access (Granovetter, 1982; Putnam, 2000).

4.3.2.6 Summary

In conclusion, the key findings in this section reveal that Nigerian SME managers are careful about selecting contacts with integrity because of the weakness of institutions responsible for enforcing the rule of law. This is especially important for SME managers, considering that they have limited resources and time to expend on non-productive outcomes. Moreover, it is not enough to select contacts with integrity, a contact must demonstrate the capacity to reciprocate and provide mutual value. This is notwithstanding the fact that network of relationships often exercise strong norms which sanction free-loaders.

Another finding is that social capital (resources) is leveraged on by SME managers to get ahead in business, especially in a country like Nigeria with weak infrastructural support for SMEs. However, SME managers are able to access these resources, e.g. knowledge, by selecting relevant knowledge sources: this they do by attending events, developing cohesion, mentoring relationship, or volunteering. These channels give SME managers some assurance that they are accessing quality and relevant knowledge from a trusted source.

This research discovered that contrary to literature that businesses hoard knowledge that sustain their competitive advantage (Nickerson and Zenger, 2004), when SME managers build

close ties (Granovetter, 1982; Nahapiet and Ghoshal, 1998; Putnam, 2000), competitors can transfer trade secrets and knowledge. Moreover, this reveals that social capital enhances intra- and inter-industry collaboration, which implies that SME managers can access knowledge and resources across their industry even from SMEs competing in the same market. This happens when there is a strong tie, for example, a mentoring relationship.

This study also found that building trust is especially important in Nigeria, a country with high-level corruption and weak institutions. Hence, this study found that social capital provides an informal structure that helps to screen and vet people before they are invited into a network. This implies that generating trust precedes business transaction or knowledge transfer. However, trust, which is sometimes built through referrals, is sustained when SME managers keep their promises and meet their obligations. Trust may be initiated through referral, but sustaining it depends on what SME managers do over a period of time.

Considering that countries with a culture of high uncertainty avoidance like Nigeria often want some level of predictability (Hofstede *et al.*, 1991; Hofstede and Hofstede, 2005), Nigerian SME managers build social capital to ensure that they have some form of predictability and security in the future. Moreover, building social capital helps them gain access to a diverse repertoire of knowledge especially when it is across industries. They accomplish this through a mentoring, volunteering, attending business trainings, business cooperatives, collaborations, social media and events. This is one key reason they build social capital before they need it.

According to Chollet *et al.* (2014), social capital helps SME managers gain access to referrals, which helps them reduce marketing costs (Trusov *et al.*, 2009). However, this study discovered that SME managers leverage on referrals (from social capital) as a form of security, protecting them from accessing moribund or inaccurate knowledge. It is also a way of keeping

the business opportunities within their network, which ensures that the opportunities are given to credible people, not frauds.

The findings also reveal that social capital helps SMEs to gain business advantage by saving time and avoiding red tape. However, according to Putnam (2001) this leads to the exclusion of individuals (SME managers) outside the network. In other words, it encourages nepotism and exclusion of other SMS managers who may be better qualified for specific opportunities. Another shortfall is that considering that business advantages are often generated within close ties, it can also limit the number of innovative ideas members of these network can access (Granovetter, 1982; Putnam, 2000).

Objective two: to understand how Nigerian SME managers develop social capital

In line with **objective two**, participants were asked about how they develop social capital in Nigeria. The goal was to explore the different key elements, triggers and ways they embark upon while building social capital. This main theme and the relevant data extracts were captured in figure 4.5 and table 4.4, respectively.

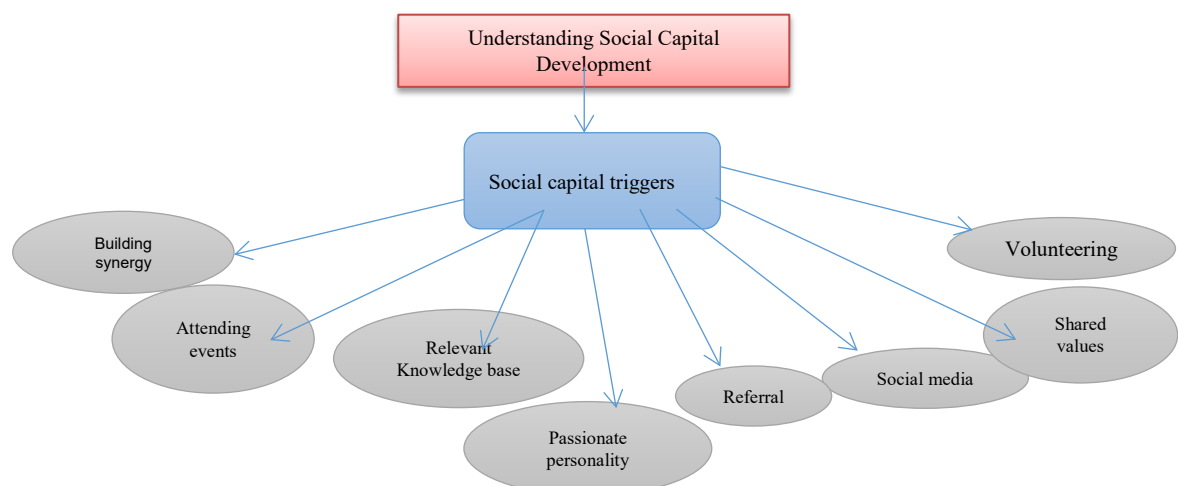


Figure 4.5: Factors triggering social capital

Table 4.4: How Nigerian SME managers develop social capital

Main themes	Sub-themes	Data extracts
	Shared values	<p><i>"Shared values - it is very critical that in that network, especially when there is going to be knowledge transfer, that most of you have similar (not exact) values. For example, if continuous learning is a value for me, it will be pretty difficult for me to regularly try to transfer knowledge to another company or another business that continuous learning is not a value because it begins to look like I am either stressing it out or I am not needed" SC 17</i></p> <p><i>"In the industry, there are people that we don't have anything in common, once I know that we don't have the same values, for me, I don't build relationship, but people that I know we have the same values, the same expectations, I build relationship with them". SC 10</i></p> <p><i>"For me, I always say it is individual, it is about values. For me, it is about integrity and I think, for me, basically for my business, one thing that has helped me so far is integrity" SC 16</i></p>
	Building synergy (co-operation and collaboration)	<p><i>"Two, there must be co-operation, meaning that you have agreed, we have both established that this is what we need to do, and this is how we need to do them. There must be agreement and co-operation between us that ok, this is what we are doing and this is how we will do them. So, those are what determine if we will build a relationship." SC 18</i></p> <p><i>"I build relationship because my industry is so wide, If you have 100 million naira today and you want to invest into the industry, you can't have all the machines, so you still need to give it to other people in the industry, there are things today that I don't have that once I start to give it out, ok, do this for me, they handle some of the job for you. So, I have relationship within the industry" SC 16</i></p> <p><i>"In the process of educating her on those projects, I learn more, you know, and my knowledge base is widening. So collaboration has helped me, you know, to learn more and you know, to do more as well. Working with someone who is doing what you do, at least definitely ahead, will help you to, you know, fill the gap quickly" SC 09</i></p>

	Attending Events	<p><i>"With a couple of ways, from a high standpoint, it is networking, so I show up at events and programs that I know owners will come to, so I show up". SC 06</i></p> <p><i>"Well, basically, through networking with them you know, social gatherings or churches, parties conferences" SC 07</i></p> <p><i>"Hmm, well, there's the active networking, networking will mean, attending events. You know, being part of and for us as a lawyer, like in our firm, we're careful that we don't, we're not, attending events that are for legal practitioners, we're attending events that cut across other sectors" SC 14</i></p>
	Relevant knowledge base	<p><i>"Building social capital is enabled when there are things you know, people know you know, there are things you can do, there is honesty which helps people trust what you say and then dependability" SC 21</i></p> <p><i>"How do you know who to reach? It depends on the knowledge you want to get because if you have identified the problem, you know where to go" SC 01</i></p> <p><i>"So I feel that whatever the gathering, the people I am looking for are the leaders, the organisers, or you know, the exhibitors, or whatever they do, I am just looking for the top person. How can I rise or do the things they do? Sometimes, it is even through social groups, you know, strike a relationship through discussion" SC 08</i></p>
	Passionate personality	<p><i>"Part of what has worked for me is being positively restless. I have come to meet people just because I had an idea, asked somebody, asked another, spoke with someone else and before long, I was talking to somebody else more seriously and this is someone I did not think I would be talking with so soon, just because I was positively restless and this has happened several times" SC 21</i></p> <p><i>"I need to see passion you know, because once you see passion, once you see somebody passionate about what he wants to do, you will always see that he will always go the extra mile. So for me, I will need to see passion on your own part; I will need to see some level of dedication, some level of commitment that you are ready to run with it" SC 04</i></p>

		<i>"One, the first thing for me is I will actually be attracted to the person's passion" SC 02</i>
	Social media	<p><i>"They also try to follow you online if you are very vibrant, oh, now, give us your twitter handle, give us your email address, your Facebook, your name on Facebook, all those questions" SC 06</i></p> <p><i>"We have a group on WhatsApp, we do review, when we are to do book review, we print the book, read it, you know, we talk about it and we share ideas. I have another group of women that I kind of mentor. They are of different, you know, different professions, some are career people, they are employed, a lot more are business owners. I teach them about finance and all of that. I think in this day and age, one of the ways by which we interact is through social media. That is key, that is key, social media has been very important to knowledge acquisition and dissemination" SC 09</i></p> <p><i>"I meet them through friends, through other friends, you know there are so many platforms now, some of them we meet on LinkedIn, I have a very strong connect on LinkedIn yes, I think I have about, close to eighteen thousand contacts on LinkedIn, so I meet some on LinkedIn, also WhatsApp is another platform, we meet and so that's how it is and sometimes, they just see our materials on like on Facebook and they say, "oh, this is my line of business". We come across many people to understand what they do and how we can do business together" SC 10</i></p>
	Volunteering	<p><i>"Projecting a desire to help, even helping people whose social status may seem to be higher than yours. Projecting a desire to deploy your strengths, your knowledge without necessarily being paid. That also helps to extend your social capital because in there comes opportunities to help people solve some of their problems, help people with a hand there and unknown to you, in subtle ways, social capital builds" SC 21</i></p> <p><i>"I mean human resources and by virtue of my volunteering with daystar business academy, I had the opportunity of meeting great men, great men like FD, BW,</i></p>

		<p><i>SH, these people that it would have been difficult for me to meet if I was not in a relationship with PO. You see? But because I am giving my time to volunteering, to serve in that business academy that I had the opportunity” SC 01</i></p>
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4.3.3.0 How SME managers develop social capital

This section explores another main theme *how Nigerian SME managers develop social capital*. To accomplish this, the following sub-themes are discussed below: *shared values, building synergy, attending events, relevant knowledge base, passionate personality, leveraging on social media, volunteering*.

Evidence in extant literature depicts different ways social capital is developed. For instance, according to Arregle *et al.* (2007), social capital develops and thrives in interdependent relationships existing among network members. This was corroborated by Nahapiet and Ghoshal (1998), who also assert that social capital is developed in settings with significant mutual interdependence. Further, this study adds to the debate by exploring how SME managers develop social capital in the Nigerian context. These are discussed below.

4.3.3.1 Shared values

In addition to developing relationships, shared values (which include the shared goals, shared representations, interpretations and systems of meaning and hopes of the members of a network) facilitate social capital between SME managers. Shared values between SME managers facilitate social capital, as it creates common cognitive and relational platforms of interaction between them. These common cognitive and relational elements align with what Nahapiet and Ghoshal (1998) captured as Cognitive and Relational social capital, respectively. This was echoed by SME managers below:

“In the industry, there are people that we don't have anything in common, once I know that we don't have the same values, for me, I don't build relationship, but people that I know we have the same values, the same expectations, I build relationship with them”. SC 10

“For me, I always say it is individual, it is about values. For me, it is about integrity and I think, for me, basically for my business, one thing that has helped me so far is integrity” **SC 16**

For social capital to develop and be sustained between SME managers it is important to share common values, as this does not only stimulate interaction, it also creates a level of bond between SME managers.

4.3.3.2 Building synergy

SME managers build social capital when they build synergy (co-operate and collaborate) with each other because social capital is embedded in a network of relationships. In other words, until there are interactions between SME managers, social capital would not be generated. These co-operations and collaborations often happen between Nigerian SME managers to build synergy, access knowledge and exchange competences. This was echoed by SME managers below:

“By working with her and by collaborating, because I did tell her that, you see, some of these jobs, when I am free, I could help you execute them, you know, some of your projects. In the process of educating her on those projects, I learn more, you know, and my knowledge base is widening. So collaboration has helped me, you know, to learn more and you know, to do more as well. Working with someone who is doing what you do, at least definitely ahead, will help you to, you know, fill the gap quickly” **SC 09**

“I build relationship because my industry is so wide, if you invest 100 million into it, you can't have it all. If you have 100 million naira today and you want to invest into the industry, you can't have all the machines, so you still need to give it to other people in the industry, there are things today that I don't have that once I start to give it out, ok, do this for me, they

handle some of the job for you. So, I have relationship within the industry”

SC 16

However, it was found that SME managers are able to build synergy when they share common values, and hold opportunities for mutual benefit. In other words, SME managers do not build synergy with other social actors who are either not ready to reciprocate or do not have relevant knowledge/resources. Synergy for SME managers must be mutually beneficial. Moreover, they build synergy to secure access to new industry knowledge, valuable relationships and market share, as when SME managers collaborate they gain access to social capital, which opens doors to opportunities for them to accomplish their business objectives. This aligns with Oh and Bush (2016), who assert that social capital facilitates collaboration.

4.3.3.3 Attending events

SME managers initiate the process of building social capital by attending events where other SME managers would be available. This creates opportunity for interaction, familiarity and knowledge transfer. SME managers attending such events create access to potential knowledge sources (SME managers) who would have been difficult to access without a referral or previous relationship. This is because in a country with a collectivist culture, such as Nigeria, relationship precedes business transaction (Hofstede and Hofstede, 2005). Information about these events are either in the public domain or passed across through various networks, particularly when they are exclusive. This was echoed by SME managers below:

“With a couple of ways, from a high standpoint, it is networking, so I show up at events and programs that I know owners will come to, so I show up”.

SC 06

“Hmm, well, there's the active networking, networking will mean, attending events. You know, being part of and for us as a lawyer, like in our firm,

we're careful that we don't, we're not, attending events that are for legal practitioners, we're attending events that cut across other sectors" SC 14

According to Chollet *et al.* (2014), the personality of the SME manager impacts on social capital. However, beyond their personality, this study discovered that SME managers networking and relationships skills also impact on their access to social capital. It is not enough for SME managers to simply attend events, they must be deliberate about building relationships, networking and interacting with potential knowledge sources.

4.3.3.4 Relevant knowledge base

Nigerian SME managers selectively build social capital with other social actors with relevant knowledge. In other words, they are deliberate about building relationships with knowledge sources with proven track records. This guarantees that they are able to access current and accurate knowledge. For instance, at an event, they deliberately look out for SME managers, e.g. conference facilitators, with unique and relevant industry experience. This was echoed by SME managers below:

"Building social capital is enabled when there are things you know, people know you know, there are things you can do" SC 21

I want to be very sure, you know? So I feel that whatever the gathering, the people I am looking for are the leaders, the organisers, or you know, the exhibitors, or whatever they do, I am just looking for the top person. How can I rise or do the things they do? Sometimes, it is even through social groups, you know, strike a relationship through discussion" SC 08

"How do you know who to reach? It depends on the knowledge you want to get because if you have identified the problem, you know where to go"
SC 01

Nigerian SME managers build social capital with other SME managers who possess the relevant knowledge that can solve their business problems. This element determines who is approached for mentoring, collaboration, or the business cooperatives that are approached for membership. In other words, developing social capital for Nigerian SME managers is based on their business needs, rather than random selection. This aligns with the literature which states that knowledge is embedded in the individual (Payne *et al.*, 2011; SmithDe Beer *et al.*, 2015). This highlights why leveraging on networking skills is quite important for Nigerian SME managers, as this is a way for prospecting SME managers to build social capital.

4.3.3.5 Passionate personality

Passionate personality of SME managers influences the development of social capital because it facilitates interaction and relationship. Moreover, SME managers with passionate personality usually proactively initiate conversation, sound convincing and are fun to be around. Hence, other SME managers often gravitate towards them, thereby creating social capital. This is because during interactions SME managers can identify some non-verbal cues. This was echoed by SME managers below:

“Wow! For me, the things that I consider that I will go back again to somebody, one, I need to see passion you know, because once you see passion, once you see somebody passionate about what he wants to do, you will always see that he will always go the extra mile. So for me, I will need to see passion on your own part; I will need to see some level of dedication, some level of commitment that you are ready to run with it” SC 04

“One, the first thing for me is I will actually be attracted to the person's passion” SC 02

“Part of what has worked for me is being positively restless. I have come to meet people just because I had an idea, asked somebody, asked

another, spoke with someone else and before long, I was talking to somebody else more seriously and this is someone I did not think I would be talking with so soon, just because I was positively restless and this has happened several times” SC 21

SME managers believe that possessing a passionate personality is an indication that an individual would follow through on business commitments because they have the passion and energy to follow through with reciprocity. Although this finding aligns with Chollet *et al.* (2014) research which states that a CEO’s personality influences social capital, however, this research took it further by identifying the specific personality trait.

4.3.3.6 Social media

Nigerian SME managers leverage on social media to build social capital. They utilize various relevant social media platforms, such as WhatsApp, LinkedIn and Facebook, to connect and build social capital. These platforms create the opportunity to reach many SME managers directly with little or no bureaucracy, know the SME manager with the relevant knowledge to address their business problems and transfer knowledge. These are accomplished through different groups/networks created by SME managers. This was echoed by SME managers below:

“They also try to follow you online if you are very vibrant, oh, now, give us your twitter handle, give us your email address, your Facebook, your name on Facebook, all those questions” SC 06

“I have another group of women that I kind of mentor. They are of different, you know, different professions, some are career people, they are employed, a lot more are business owners. I teach them about finance and all of that. I think in this day and age, one of the ways by which we interact is through social media” SC 09

“There are so many platforms now, some of them we meet on LinkedIn, I have a very strong connect on LinkedIn yes, I think I have about, close to eighteen thousand contacts on LinkedIn, so I meet some on LinkedIn, also WhatsApp is another platform, we meet and so that's how it is and sometimes, they just see our materials on like on Facebook and they say, "oh, this is my line of business". We come across many people to understand what they do and how we can do business together” SC 10

SME managers are able to access these social media platforms through referrals and attending business events where they were invited to join such groups. However, to build social capital, SME managers must actively connect and network with members of the group, show common values, relevant knowledge base and passionate personality.

4.3.3.7 Volunteering

SME managers utilize volunteering opportunities to build social capital, particularly in exclusive networks. Volunteering in this context implies “any activity which involves spending time, unpaid, doing something that aims to benefit (individuals and groups) other than or in addition to, close relatives, or the benefit of the environment” (Davis Smith, 1998, p. 10). The volunteers (SME managers) are able to access specific people and networks and people, especially when they bring unique skills to the beneficiaries (SME managers). SME managers intending to access new industries and start-up SMEs with little or no social capital utilize volunteering to build social capital, which creates opportunities for knowledge transfer. Opportunities to volunteer are accessed at business events, through referrals. This was echoed by SME managers below:

“Projecting a desire to help, even helping people whose social status may seem to be higher than yours. Projecting a desire to deploy your strengths, your knowledge without necessarily being paid. That also helps to extend your social capital because in there comes opportunities to help people

solve some of their problems, help people with a hand there and unknown to you, in subtle ways, social capital builds” SC 21

“I mean human resources and by virtue of my volunteering with daystar business academy, I had the opportunity of meeting great men, great men like FD, BW, SH, these people that it would have been difficult for me to meet if I was not in a relationship with PO. You see? But because I am giving my time to volunteering, to serve in that business academy that I had the opportunity” SC 01

Projecting a desire to help without demanding any reward often creates opportunity for SME managers to gain access to social capital. In a country where a third live below the poverty line (UNICEF 2017), where most people put their own needs before anyone else's, volunteering separates you from the pack. Although the evidence in literature aligns with this finding (Baum *et al.*, 1999; Kay and Bradbury, 2009; Welty Peachey *et al.*, 2013), this study has extended the body of knowledge by demonstrating that the same applies among SME managers in Nigeria.

4.3.3.8 Summary

In conclusion, this study discovered that SME managers' networking and relationships skills impact on their access to social capital. Beyond attending events, SME managers who proactively build relationships, network and interact are better positioned to meet potential knowledge sources.

Moreover, SME managers who deploy targeting techniques (focusing on the proven knowledge sources) are able to access knowledge sources with current, accurate and relevant knowledge faster. This highlights how SME managers determine what business cooperative to join or who to approach for mentoring or collaboration.

Nigerian SME managers selectively build social capital with other social actors with relevant knowledge. In other words, they are deliberate about building relationships with knowledge

sources with proven track records. This guarantees that they are able to access current and accurate knowledge. For instance, at an event, they deliberately look out for SME managers, e.g. conference facilitators, with unique and relevant industry experience.

Passionate personality of SME managers influences the development of social capital because it facilitates interaction and relationship. Moreover, SME managers with passionate personality usually proactively initiate conversation, sound convincing and are fun to be around. Hence, other SME managers often gravitate towards them, thereby creating social capital.

Nigerian SME managers leverage on social media to build social capital. They utilize various relevant social media platforms, such as WhatsApp, LinkedIn and Facebook, to connect and build social capital. These platforms create opportunities to reach many SME managers directly with little or no bureaucracy, know the SME manager with the relevant knowledge to address their business problems and transfer knowledge. These are accomplished through different groups/networks created by SME managers.

SME managers are able to access these social media platforms through referrals and attending business events where they were invited to join such groups. However, to build social capital, SME managers must actively connect and network with members of the group, show common values, relevant knowledge base and passionate personality.

This study also discovered that SME managers utilize volunteering opportunities to build social capital, particularly in exclusive networks. The volunteers (SME managers) are able to access specific people and networks, especially when they bring unique skills to the beneficiaries (SME managers). Volunteering is often utilized by SME managers intending to access new industries and start-up SMEs with little or no social capital, as this creates opportunities for knowledge transfer. These opportunities to volunteer are often accessed at business events, through referrals. The next section examines how Nigerian SME managers transfer knowledge to each other.

Objective Two: To understand how Nigerian SME managers transfer knowledge among each other. In line with **objective two**, the participants were asked about how they perceive knowledge transfer. The goal was to explore how they achieve knowledge transfer. Responses were categorised into sub-theme: ‘knowledge transfer definitions’, ‘knowledge transfer channels’. Figure 4.6 illustrates this theme, its sub-themes and the relevant data extracts were captured in table 4.5.

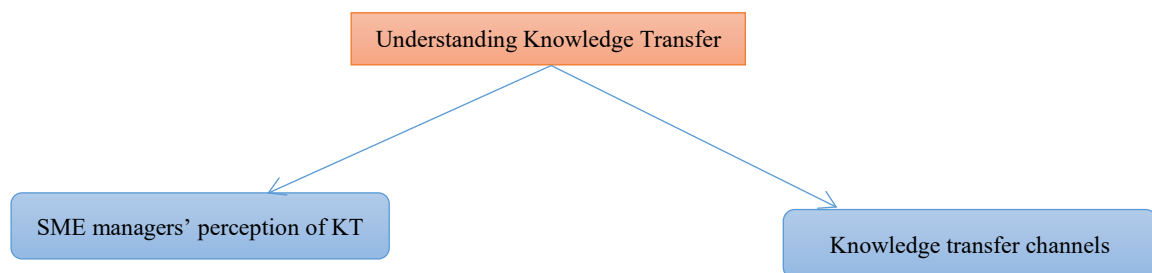


Figure 4.6: How SME managers perceive knowledge transfer

Knowledge transfer

In line with **objective three**, the participants were asked about how they would define knowledge transfer. The aim was to view the term knowledge transfer through the respondents’ lenses. These were captured in the table 4.7 below.

Table 4.5: Descriptions of knowledge transfer

Main themes	Sub-themes	Data extracts
Understanding knowledge transfer	SME managers' perception of Knowledge Transfer	<p><i>"I believe that what makes businesses succeed is the superior knowledge they have at their disposal. This knowledge gives them an advantage. So for me, knowledge transfer is transferring useful information to another company or person. Especially if it can potentially improve their business" SC 23</i></p> <p><i>"my understanding of the word, knowledge transfer, is being able to impart knowledge" SC 16</i></p> <p><i>"It's passing on what you know, formally or informally and all that, and passing that same knowledge into someone else" SC 19</i></p>

Knowledge Transfer Channels

In line with **objective three**, the participants were asked about how (channel) they transfer knowledge to other Nigerian manager. The aim was to extract the various channels they use.

Figure 4.7 illustrates this theme, its sub-themes and the relevant data extract.

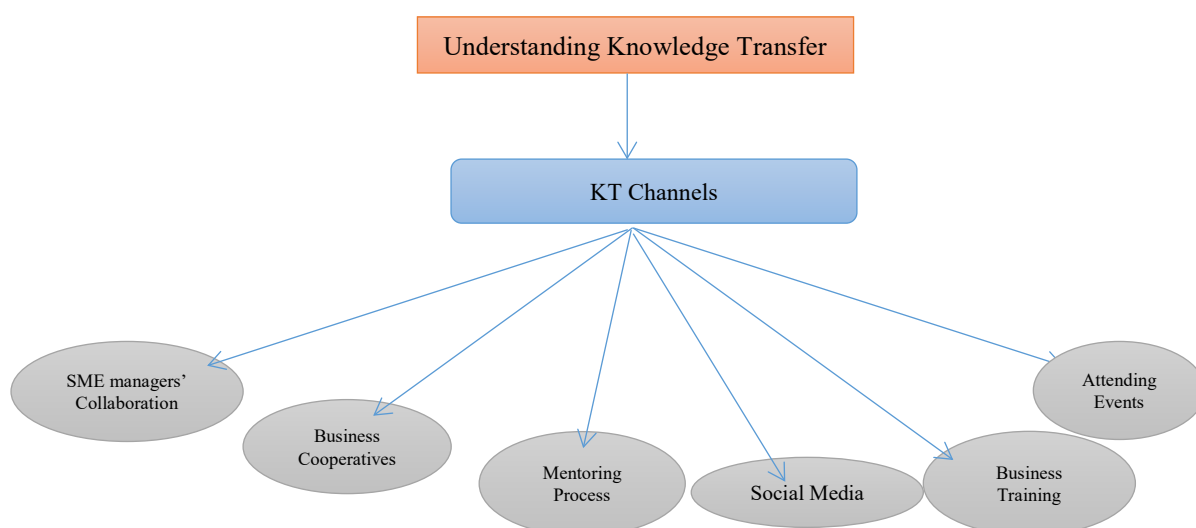


Figure 4.7: Knowledge transfer channels

Responses highlighting the channels through which Nigerian SME managers transfer knowledge were collated and illustrated in table 4.6.

Table 4.6: Descriptions of knowledge transfer channels

Main themes	Sub-themes	Data extracts
Knowledge transfer channels	SME managers' Collaboration	<p><i>"By working with her and by collaborating, because I did tell her that, you see, some of these jobs, when I am free, I could help you execute them, you know, some of your projects. In the process of educating her on those projects, I learn more, you know, and my knowledge base is widening. So collaboration has helped me, you know, to learn more and you know, to do more as well. Working with someone who is doing what you do, at least definitely ahead, will help you to, you know, fill the gap quickly"</i> SC 09</p> <p><i>"There is a high level of collaboration and once you have this collaboration and you have people meeting the goal, you know, at the end of the day, you have access to resources"</i> SC 10</p> <p><i>"After the project, because you met at the project, you already have built a relationship so the sustainability continues. You either call or invite yourselves to the same project or you invite the person to help you critique a job, when you have done something and you want an external opinion, you also call in someone to critique the job. Most times, they become like friends you can relate with every time and when there is a project, you bring them on board"</i> SC 22.</p>
	Business Cooperatives	<p><i>"Yes, it is impacting a lot. Then, another way now is people are forming co-operatives, I know, I joined one and I met with people, like I met a lady that is also into manufacturing, which is part of the thing that I am doing, you understand, and we spoke at length, you know, and she transferred knowledge of what she is doing and I gained a lot from that. This was through the co-operative and we discussed many other things that we can all do together, so I think now, locally, people are really embracing knowledge transfer from wherever they can get it, you know, from like-minds and it is really working."</i> SC 10</p>

		<p><i>"Sorry, I think I will narrow this down more to trade organisations, cooperatives, business clusters, because that is where we see a lot of business owners with their similarities" SC 06</i></p>
	Mentoring process	<p><i>"What I do is that people that I look up to, my mentors, at times when they are doing something, any new machine in the industry, I walk up to them, then try to learn how do you do this? How can we acquire? How can we add this to our machinery? How is it being done? I have people that I mentor, they come up to me, and once I see new trends in the industry, I call them and say this is the new trend in the industry and we share knowledge." SC 16</i></p> <p><i>"The competitor may not tell you everything. If you live in the part of the world where people cover (hoard) knowledge, they do not want to tell you their secrets, they may feel that if they tell you their secret, you may steal those trade secrets. You have to go through mentorship, synergy, partnership" SC 24</i></p> <p><i>"I have an international mentor, one in SA, and one in ZZ, he is actually the global security director for mm. The one in SA is also one of the, he is the security manager, security director of an electricity company in QA. You know QA. These are people I can call up, send an email and say, sir, I am having a challenge, I need you to send me a go-by document for such and such security assessment, or such and such policy and then, in one hour or less, it hits my box. Those are the things you do not take for granted" SC 04</i></p>
	Online Interactions	<p><i>"OK, well, now, WhatsApp is playing a big role, it is playing a big role. You have so many people setting up WhatsApp business and development groups now and on those groups, there are series of trainings going on almost every day. Yesterday, we had one on one of the groups I belong to" SC 10</i></p> <p><i>"But for me, social media is number one because it is cheaper and it allows, you know, unlimited number of people to interact at the same time and to really, really disseminate. For all you care, very strong bonds have been</i></p>

		<p><i>struck through social media. We cannot underestimate the impact of social media, even on businesses.” SC 09</i></p> <p><i>“Yes through my social media handle. Yes, basically it, I post things on Facebook for them. There are some people you have a session with like your friends we talk about business and all of that yea” SC 15</i></p>
	Business Training	<p><i>“On a wholesale dimension is training. We do a lot of trainings. I think in a week, we get exposure to over, errm...a minimum of 100 SMEs do show at trainings” SC 06</i></p> <p><i>“Sometimes, yes, we do have physical events, on Sunday, I had an event for my group, we came together, talked about money, investment, savings and all of that. Different business owners, not necessarily accountants, people, some are bankers, some are business owners, some are traders, you know, once or twice a year like that, we just come together” SC 09</i></p> <p><i>“From time to time, we do training or presentation, like I speak for..., I do seminars for pharmaceutical society of Nigeria. That's the body where all pharmacists in the country are under, they are all members, so during their monthly meeting, they could call me to come and give an information or a lecture, about what is going on in the industry” SC 13</i></p>

4.3.4.0 How Nigerian SME managers transfer knowledge among each other

The previous sections explored how Nigerian SME managers benefit from social capital.

However, this section explores another main theme: **How Nigerian SME managers transfer knowledge among each other**. To accomplish this, the following sub-themes are discussed below: **SME managers’ collaboration, Business cooperatives, Mentoring process, Social media, Business training**

Nigerian SME managers knowledge transfer channels

The channels of knowledge transfer highlight the various ways Nigerian SME managers utilize in transferring knowledge between each other. This section does not just highlight knowledge transfer channels SME managers utilize, but also why they use them in the Nigerian context.

4.3.4.1 SME managers' collaboration

Nigerian SME managers leverage on collaboration to transfer knowledge. Knowledge transfer through collaboration occurs when SME managers work together on various projects, especially when they get business orders beyond their competence. Hence, rather than turning down the business and losing the opportunity in a competitive business environment like Nigeria, they often collaborate with other SME managers. These SME managers have the required knowledge and skills to deliver the job. This was echoed below by SME managers:

“By working with her and by collaborating, because I did tell her that, you see, some of these jobs, when I am free, I could help you execute them, you know, some of your projects. In the process of educating her on those projects, I learn more, you know, and my knowledge base is widening. So collaboration has helped me, you know, to learn more and you know, to do more as well. Working with someone who is doing what you do, at least definitely ahead, will help you to, you know, fill the gap quickly” SC 09

“Yes, we do because we have association. We transfer knowledge, we have a forum, they ask questions, if they are stuck somehow, we step in. Yesterday, I went to do a job, the job was gotten by another consultant, but he was deficient in that area. I did the job while he was watching, some other time, he may not need me to do the job” SC 24

“There is a high level of collaboration and once you have this collaboration and you have people meeting the goal, you know, at the end of the day, you have access to resources” SC 10

SME managers' collaborations provide cost-effective ways to gain access to relevant knowledge and remain competitive. Moreover, these collaborations occur between SME managers with shared values, passionate personality and strong business synergy. These collaborations happen within industry-based business associations, as they often give opportunities for SME managers to know and familiarize themselves with potential collaborators.

However, some other SME managers join cooperatives when they are unable to collaborate with others. These cooperatives facilitates knowledge transfer opportunities by creating a platform for interaction, reciprocity and mutual support. This is SME managers' strategy for surviving and thriving in a competitive Nigerian market with little or no support from the government. This aligns with Putnam's concept of bonding social capital (Putnam, 2000). This was echoed by the SME manager quoted below:

"Another way now is, people are forming co-operatives, I know, I joined one and I met with people, like I met a lady that is also into manufacturing, which is part of the thing that I am doing, you understand, and we spoke at length, you know, and she transferred knowledge of what she is doing and I gained a lot from that. This was through the co-operative and we discussed many other things that we can all do together, so I think now, locally, people are really embracing knowledge transfer from wherever they can get it, you know, from like-minds and it is really working." **SC 10**

Members of these cooperatives transfer knowledge based on reciprocity, obligation, shared values and mutual trust. In other words, transfer of knowledge is often facilitated by social capital.

4.3.4.2 Mentoring Process

Nigerian SME managers leverage on mentoring process to access knowledge, especially rare, tacit knowledge, such as trade secrets, which often takes years to develop. This mentoring

process often occurs between a knowledge source (SME manager) possessing more experience and competence and a knowledge recipient (SME manager) with relatively lower experience/competence. According to Barney (2001), firms hoard knowledge that gives them competitive advantage; however, based on this study, SME managers in the same industry (competitors) can share rare knowledge with members of the same industry if they have a mentoring relationship. In other words, strong ties existing in a relational social capital can transform competitors into 'collaborators'. This was echoed by the SME managers quoted below:

"What I do is that people that I look up to, my mentors, at times when they are doing something, any new machine in the industry, I walk up to them, then try to learn how do you do this? How can we acquire? How can we add this to our machinery? How is it being done? I have people that I mentor, they come up to me, and once I see new trends in the industry, I call them and say this is the new trend in the industry and we share knowledge." **SC 16**

"The competitor may not tell you everything. If you live in the part of the world where people cover (hoard) knowledge, they do not want to tell you their secrets; they may feel that if they tell you their secret, you may steal those trade secrets. You have to go through mentorship, synergy, partnership" **SC 24**

"I have an international mentor, one in SA, and one in ZZ, he is actually the global security director for mm. The one in SA is the security manager, security director of an electricity company in QA. These are people I can call up; send an email and say, sir I am having a challenge, I need you to send me a go-by document for such and such security assessment, or

such and such policy and then, in one hour or less, it hits my box. These are the things you do not take for granted” SC 04

Nigerian SME managers leverage on mentoring processes to access knowledge in order to minimise the cost of trial and error, especially when they are new market entrant. They do this by initiating interaction.

4.3.4.3 Online interactions

Nigerian SME managers transfer knowledge to other SME managers through social media platforms, such as WhatsApp and LinkedIn. These platforms facilitate knowledge transfer in cost-effective ways. For instance, many of the SME managers claim to belong to WhatsApp groups where online seminars and workshops are held on various subjects, free of charge. Usually, the coordinators of these WhatsApp groups invite different SME managers who are experts in specific subject areas to transfer their knowledge to members of the group. These platforms, by design, allow for interactions on the general group discussion or private chats, where the mentoring process also takes place. These were echoed below by SME managers:

“OK, well, now, WhatsApp is playing a big role, it is playing a big role. You have so many people setting up WhatsApp business and development groups now and on those groups, there are series of trainings going on almost every day. Yesterday, we had one on one of the groups I belong to” SC 10

“But for me, social media is number one because it is cheaper and it allows, you know, unlimited number of people to interact at the same time and to really, really disseminate. For all you care, very strong bonds have been struck through social media. We cannot underestimate the impact of social media, even on businesses.” SC 09

“Yes through my social media handle. Yes, basically it, I post things on Facebook for them. There are some people you have a session with like your friends we talk about business and all of that yea” SC 15

Nigerian SME managers are able to build strong and weak ties, therefore accessing tacit and explicit knowledge because these online platforms facilitate both types of ties. SME managers leverage on social media to transfer knowledge to other SME managers, while providing easy access to large number of SME managers at the same time.

4.3.4.4 Business Trainings

Business training is another channel for knowledge transfer that Nigerian SME managers adopt. These business trainings facilitate the transfer of explicit and tacit knowledge transfer giving SME managers opportunities to build and sustain their competitive advantages. In Nigeria, business trainings can be organized by professional bodies, charities or private bodies, as a form of corporate social responsibility. This was echoed below by SME managers:

“Sometimes, yes, we do have physical events, on Sunday, I had an event for my group, we came together, talked about money, investment, savings and all of that. Different business owners, not necessarily accountants, people, some are bankers, some are business owners, some are traders, you know, once or twice a year like that, we just come together” SC 09

“From time to time, we do training or presentation, I do seminars for pharmaceutical society of Nigeria. That's the body where all pharmacists in the country are under, they are all members, so during their monthly meeting, they could call me to come and give an information or a lecture, about what is going on in the industry” SC 13

Although, the same knowledge is often being transferred to everyone at the same time, the depth of understanding being accessed by SME managers is often dependent on their

absorptive capacity (Cohen and Levinthal, 1990) and ability to ask questions. The next section would be examining how social capital influences knowledge transfer.

Objective four: Understanding how social capital influences knowledge transfer

In line with **objective four**, the respondents were asked to highlight how social capital influences knowledge transfer among other Nigerian SME managers. The aim was to explore how social capital plays a role in the knowledge transfer process. Figure 4.8 illustrates this theme, its sub-themes and the relevant data extracts.

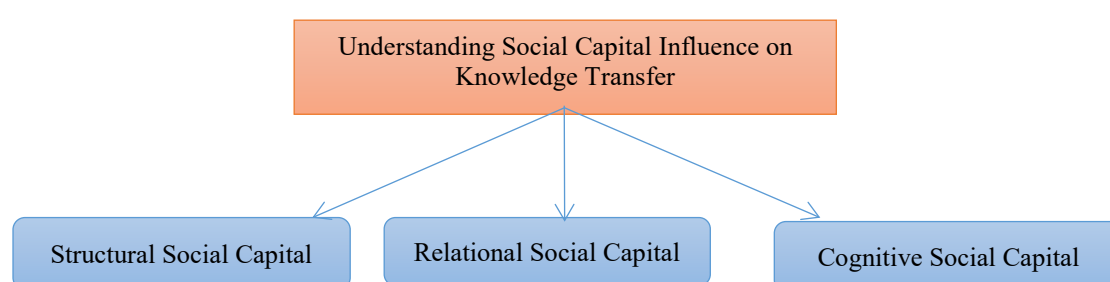


Figure 4.8: Influence of social capital on knowledge transfer

As part of explaining how social capital influences knowledge transfer, the respondents highlighted how the various dimensions of social capital influence knowledge transfer to other managers of SMEs.

Influence of structural social capital on knowledge transfer

In line with **objective four** of this study, the participants were asked about how the size of their networks, the strength of their network ties, and position of their network play a role in transfer. Figure 4.8.1 illustrates this theme, its sub-themes and the relevant data extracts.

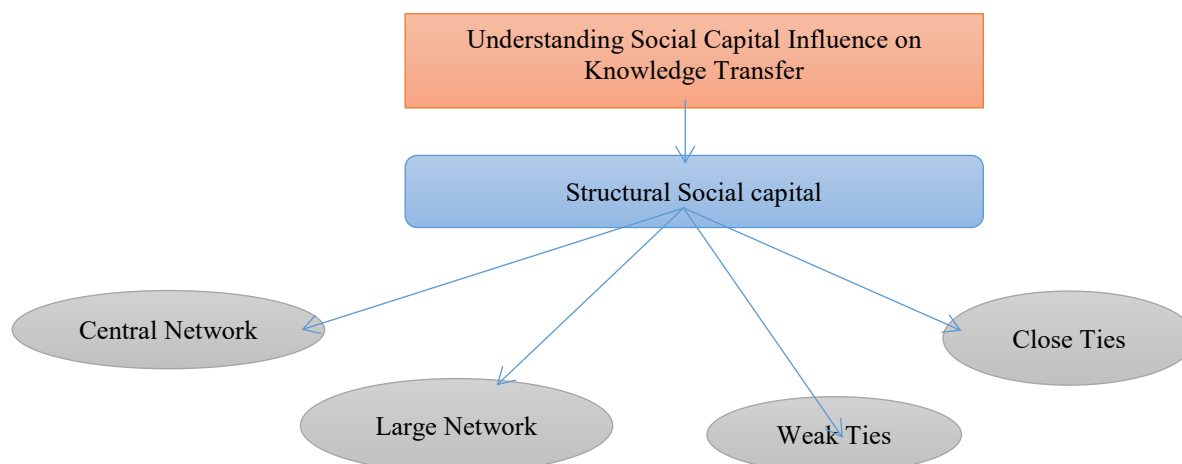


Figure 4.8.1: Influence of structural social capital on knowledge transfer

These responses were then grouped based on their focal points resulting in four sub-themes.

The sub-themes and the data which were extracted are shown in table 4.7.

Table 4.7: Influence of structural capital on knowledge transfer

Themes	Sub-themes	Data extracts
Structural Social Capital	Central Network	<p><i>"Well, I belong to an entrepreneurial WhatsApp group, yea, you know, I am quite active on that, interestingly I said to all of people in a private chat where I give advice and people call, I mean a lot of that goes on" SC15</i></p> <p><i>"Well, like I said earlier, you belong to a number of other groups, of other networks, where you make it a point of duty to quickly share information that is available to you" SC 25</i></p> <p><i>"It has made it very easy that, because I am a pharmacist, I am not just a pharmacist, I am also a member of the regulatory body of the Pharmacist Council of Nigeria. When I say a member, I work as a supervisor for the Pharmaceutical Council of Nigeria. With that, I noticed where there is a gap in knowledge and with that, I can easily, and they know me as an academic and with the knowledge and information I have in this area, *sighs people can easily identify me and say, oh, we need an expert that will talk to pharmacists in this area, 1, 2, 3 ,4 and they say ok, let's get SC 13, he is our colleague, he could deliver on this he can talk to us in a pharmacist way" SC 13</i></p>
	Large network	<p><i>"You can post your own personal request on the group, instead of waiting for anyone, like erm... may be you want to make a</i></p>

		<p>wedding dress, and you need to do a particular type of manipulation, now, I can just post a picture of what I am trying to do and say I am trying to achieve this, how do I go about this? People are going to come up with their opinions. We are about 100 or so on the group, so some people that are online, they can come up with their opinions about how they think it was done and some other people that may have done the same thing as well might say, ok.” SC 08</p> <p>“From time to time, we do erm... training or presentation, like I speak for..., I do seminars for Pharmaceutical Society of Nigeria. That's the body where all pharmacists in the country are under, they are all members, so during their monthly meeting, they could call me to come and give an information or a lecture, about what is going on in the industry” SC 13</p>
	Weak ties	<p>“There is a woman that wanted to start nylon business. She was having issue, about the nylon business and the things they do, so since I have this friend that will help her set up, he recruited her staff, paid the staff and she is doing fully ok. So I said, ok, let me do the connection, so that she will go there and learn on her own. So any time I go in for that client session, I carry her along. Oh, hey this is too dark, is it a cutting machine? What's this about? What's that about? She asks questions and I feel that knowledge has been transferred” SC 06</p>
	Strong ties	<p>“The guy gave me the secrets of his business that he cannot share with anybody, I mean we share some personal values together and he said, I think I need to tell you this. So for me, it is something I hold very dear. It is because I have that kind of close relationship that is why, I mean, people do not want to share such, particularly for a competition” SC 04</p> <p>“What I do is that people that I look up to, my mentors, at times when they are doing something, any new machine in the industry, I walk up to them, then try to learn how do you do this? How can we acquire? How can we add this to our machinery? How is it being done? I have people that I mentor, they come up to me, and once I see new trends in the industry, I call them and say this is the new trend in the industry and we share knowledge.” SC 16</p>

Influence of relational social capital on knowledge transfer

In line with **objective four** of this study, which was to understand how social capital influences knowledge transfer within the context of Nigerian SME managers, the participants' responses on how close-ties, trust, reciprocity, identification, obligation play a role in the transfer of knowledge to other Nigerian SME managers. Figure 4.8.2 illustrates this theme, its sub-themes and the relevant data extracts.

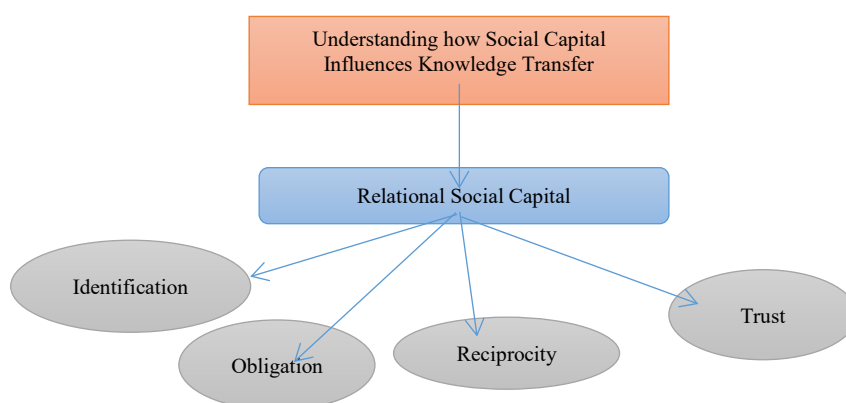


Figure 4.8.2: Influence of relational social capital on knowledge transfer

These responses were then grouped based on their focal points resulting in four sub-themes.

The sub-themes and the data which were extracted are shown in table 4.8.

Table 4.8: Influence of relational social capital on knowledge transfer

Theme	Sub-themes	Data extracts
Relational Social Capital	Obligation	<p><i>"Well, like I said earlier, you belong to a number of other groups, of other networks, where you make it a point of duty to quickly share information that is available to you" SC 25</i></p> <p><i>"I have an International mentor, one in South Africa, and one in ZZ, he is actually the Global Security Director for MM. The one in SA is also one of the, he is the security manager, security director of an electricity company in Qatar. You know Qatar. These are people I can call up, send an email and say, sir, I am having a challenge, I need you to send me a go-by document for such and such security assessment, or such and such policy and then, in one hour or less, it hits my box" SC 04</i></p>
	Identification	<p><i>"Well, I think social capital influences knowledge transfer because there are relationships and groups in which if you don't belong to</i></p>

		<p>them you may not have access to some relevant information. That is, people share this information with, you because of social capital.” SC 24</p> <p>“It has made it very easy that, because I am a pharmacist, I am not just a pharmacist, I am also a member of the regulatory body of the Pharmacist Council of Nigeria. When I say a member, I work as a supervisor for the Pharmaceutical Council of Nigeria. With that, I noticed where there is a gap in knowledge and with that I can easily, and they know me as an academic and with the knowledge and information I have in this area, people can easily identify me and say, oh, we need an expert that will talk to pharmacists in this area, 1, 2, 3, 4 and they say ok, let's get SC 13, he is our colleague, he could deliver on this he can talk to us in a pharmacist way” SC 13</p>
	Trust	<p>“..there are some people that are close to me, they know basically everything about me, about the organisation as in I have not hidden anything from them, you know they know how we got to where we are now, they know some things that I have gone through to be where we are now” SC 16</p> <p>“If, I don't trust you, I cannot trust you with my information I cannot trust you with my knowledge because I am not sure whether or not you will use it rightly. If I don't trust you, erm... I, I, there is a limit to what you can get from me because I don't trust you, so trust plays a major role in this context, in the transfer of knowledge” SC 01.</p> <p>“If the person doesn't trust you, then the person will not tell you the truth or the person will tell you half-truth” SC 02</p>
	Reciprocity	<p>“Somebody that you just met within few seconds and he has given you one critical information that you have been looking for, for years, you know so with that you are able to trust that person that, oh, you can get more useful information from this person, if you get closer to them. You don't leave the relationship there, and you too, you reciprocate” SC 10</p> <p>“It means that if I am going to get something from you, I must be willing to part with something. I must be willing to part with something. I must be willing to part with my time. I must be willing to part with my resources, I must be willing to part with so many things that I have within my, you know, within my, my confines, before I can get” SC 01</p> <p>“When I know those that are in possession of those, I build relationship with them and I nurture that relationship and it has to</p>

		<i>be symbiotic, it can't be parasitic. If I am the only one getting, of course, one day they will chase me out, but of I am getting and they are getting, both parties are being fed in a symbiosis” SC 12</i>
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Influence of cognitive social capital on knowledge transfer

Also, in line with **objective three**, the participants’ responses on how shared language, shared values, shared representation play a role in the transfer of knowledge to other Nigerian SME managers. Figure 4.8.3 illustrates this theme, its sub-themes and the relevant data extracts.

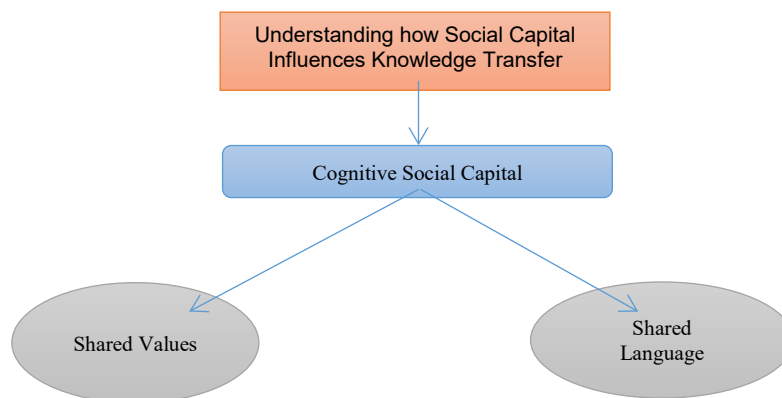


Figure 4.8.3: Influence of cognitive social capital transfer of knowledge

These responses were then grouped based on their focal points resulting in three sub-themes. The sub-themes and the data which were extracted are shown in table 4.9.

Table 4.9: Influence of Cognitive Social capital on knowledge transfer

Main Themes	Sub-Themes	Data Extracts
	Shared values	<p><i>“..for me, people will like, ..it makes the job easier when you have like-minded people, you know that there are some people who hold the same values, some of the values that you hold, if they have the same values that you have, it will be easier to transfer the knowledge” SC 16</i></p> <p><i>“Shared values - it is very critical that in that network, especially when there is going to be knowledge transfer, that most of you have similar (not exact) values. For example, if continuous learning is a value</i></p>

		<p><i>for me, it will be pretty difficult for me to regularly try to transfer knowledge to another company or another business that continuous learning is not a value because it begins to look like I am either stressing it out or I am not needed” SC 17</i></p> <p><i>“In the industry, there are people that we don't have anything in common, once I know that we don't have the same values, for me, I don't build relationship, but people that I know we have the same values, the same expectations, I build relationship with them”. SC 10</i></p>
	Shared language	<p><i>“language breaks barriers, language breaks err... language breaks fixed walls. Sometimes, once you communicate in their language, you build trust. They now think, this guy, if he understands my language, that means that he understands what I will say and he understands everything about it,” SC 02</i></p>

4.3.5.0 Understanding the influence of social capital on knowledge transfer

The next section discusses how Nahapiet and Ghoshal (1998) concept of social capital (which was adopted for this study) influences knowledge transfer between Nigerian SME managers. These were explored using dimensions of social capital, such as structural social capital (centrality, large network, weak network and close ties), cognitive social capital (shared values and shared language) and relational social capital (identification, obligation, reciprocity and trust). These are discussed below.

4.3.5.1.0 Structural social capital

The structural dimension of social capital is the “impersonal configuration of linkages between people or units” (Nahapiet and Ghoshal, 1998, p. 244). Its key aspects include the existence and non-existence of network ties between actors (Wasserman and Faust, 1994; Scott and Carrington, 2011); network configuration (Krackhardt, 1994) describing the configuration of linkages as regards yardsticks, such as density, connectivity and hierarchy; and the deployment of networks created for a specific use to other uses (Coleman, 1988).

4.3.5.1.1 Position of the network: Central network

Nigerian SME managers with conspicuous network centrality have high volume interactions with other members of the group which enhances knowledge transfer. Hence, when there is a demand for information which an SME manager does not know, they can connect the knowledge seeker to the appropriate knowledge source. Moreover, based on this study, which aligns with literature, the centrality of their position facilitates competency as they interact and learn from other SME managers (Kang and Glassman, 2010; Kang and Sauk Hau, 2014). This study reveals that SME managers who founded networks, for instance, WhatsApp groups, often assume central roles by the nature of their role. This was echoed below:

“Well, I belong to an entrepreneurial WhatsApp group, yea, you know, I am quite active on that, interestingly I said to all of people in a private chat where I give advice and people call, I mean a lot of that goes on” SC15

“It has made it very easy that, because I am a pharmacist, I am not just a pharmacist, I am also a member of the regulatory body of the Pharmacist Council of Nigeria. When I say a member, I work as a supervisor for the Pharmaceutical Council of Nigeria. With that, I noticed where there is a gap in knowledge and they know me as an academic and with the knowledge and information I have in this area, people can easily identify me and say, oh, we need an expert that will talk to pharmacists in this area, 1, 2, 3, 4 and they say ok, let's get SC 13, he is our colleague, he could deliver on this he can talk to us in a pharmacist way” SC 13

However, the centrality of a knowledge source does not imply that the knowledge transfer would be accurate, and especially in a high power distance culture (Hofstede *et al.*, 1991; Hofstede, 2001) like Nigeria, SME managers may receive knowledge without verifying because the knowledge sources are perceived as ‘authorities’.

Hence, to address the third research objective (***to examine how social capital influences knowledge transfer within the context of SMEs in Nigeria***), SME managers occupying central roles are able to transfer knowledge better and faster. However, in the Nigerian context, this happens when SME managers leverage on social media, connecting with training facilitators at a business training and central SME managers in a cooperative.

4.3.5.1.2 Number of Ties: large network

Large network ties create opportunities for SME managers to access knowledge and resources that help them compete effectively. The type of network they occupy determines the type of knowledge (explicit or tacit) they access. According to McFadyen and Cannella (2004), SME managers can be overwhelmed with knowledge, particularly when they belong to a large network. However, this study revealed that Nigerian SME managers are able to manage this challenge by belonging to industry-specific networks, e.g. WhatsApp groups where knowledge is shared on a regular basis. Research asserts that closely positioned (neighbouring) firms share more similar knowledge and information with one another than with distant firms (Todo *et al.*, 2016). This study has added to the body of knowledge by highlighting that the same applies to SMEs that are within the same digital space, but not within the same physical space.

Another advantage is that these platforms help SME managers target specific knowledge sources from within the network, rather than wasting their limited resources going after knowledge sources they may not be sure possess the knowledge they desire. This was echoed by SME managers below:

“You can post your own personal request on the group, instead of waiting for anyone, may be you want to make a wedding dress, and you need to do a particular type of manipulation, now, I can just post a picture of what I am trying to do and say I am trying to achieve this, how do I go about this? People are going to come up with their opinions. We are about 100 or so, on the group, so some people that are online, they can come up with

their opinions about how they think it was done and some other people that may have done the same thing as well might say, ok.” SC 08

“From time to time, we do training or presentation; I do seminars for Pharmaceutical Society of Nigeria. That's the body where all pharmacists in the country are under, they are all members, so during their monthly meeting, they could call me to come and give an information or a lecture, about what is going on in the industry” SC 13

Hence, to address the third research objective (**to examine how social capital influences knowledge transfer within the context of SMEs in Nigeria**), the type of knowledge SME managers occupying large networks are able to transfer depends on the nature of the network. For instance, large networks, such as business cooperatives and WhatsApp groups of SMEs in the same industry, are able to transfer tacit knowledge better because of absorptive capacity and shared language.

4.3.5.1.2 Nature of Ties: strong vs weak tie

SME managers leverage on the nature of the ties to transfer knowledge to other SME managers. This study revealed that an SME manager can access relevant knowledge from a weak tie if they ride on the influence of their strong tie. In other words, if A and C have a strong tie, and if B has a strong tie with A but not C, then B can access high quality knowledge from C (with which it has a weak tie) if it gets a referral from A to approach C. Research asserts that strong ties facilitate the transfer of quality and useful knowledge. This was echoed by an SME manager:

“There is a woman that wanted to start nylon business. She was having issue, about the nylon business and the things they do, so since I have this friend that will help her set up, he recruited her staff, paid the staff and she is doing fully ok. So I said, ok, let me do the connection, so that she will go there and learn on her own. So any time I go in for that client session, I

carry her along. Oh, hey this is too dark, is it a cutting machine? What's this about? What's that about? She asks questions and I feel that knowledge has been transferred" **SC 06**

"Yes, like I told you, online. I contribute a lot online, I write books, I write a lot of articles online. They may not know me, but I am transferring knowledge to them. Sometimes, I write thesis, I record thesis, a lot of my thesis are selling. I am transferring knowledge to people. I don't have to know them to transfer knowledge. Knowledge can be transferred aside relationship. In a close knit relationship, knowledge can be transferred directly, but there is indirect too" **SC 24**

Research depicts that strong ties facilitate greater transfer of useful knowledge because of the inherent trust in these ties (Ghoshal et al., 1994; Szulanski, 1996; Tsai and Ghoshal, 1998). On the other hand, weak ties demonstrate greater probability of providing non-redundant information (Granovetter, 1973; Burt, 1992; Uzzi, 1996; Uzzi and Spiro, 2005). However, this study reveals that weak ties can also access tacit knowledge transfer if the knowledge seeker leverages on referrals. Hence, the nature of ties plays a role in knowledge transfer. To address the third research objective (**to examine how social capital influences knowledge transfer within the context of SMEs in Nigeria**), the nature of the ties influences knowledge transfer. For instance, weak ties can access tacit knowledge which is often available through strong ties when SME managers leverage on referrals to access knowledge sources.

4.3.5.2.0 Relational social capital

This dimension describes the emotional and affective aspect of social capital (Nahapiet and Ghoshal, 1998). It highlights the trust-based interpersonal relationships within the networks, shared beliefs, norms, collaboration with other members of the network, a combination of factors which influence members to pursue the same goals (Cabrera and Cabrera, 2005; Smedlund, 2008). These relationships, which often embody the characteristics of the

connections between individuals in the network, have been developed through a history of personal interaction (Nahapiet and Ghoshal, 1998).

Understanding how Social Capital Influences Knowledge Transfer: relational social capital

4.3.5.2.1 Obligation

SME managers leverage on obligation to access relevant knowledge in their network. It is a key element that influences transfer of knowledge, especially in a business environment like Nigeria with a low level of trust and a low level of government support. Nigerian SME managers work at belonging to networks where sharing knowledge is expected as an obligation based on the ethos of the network or what the SME manager (knowledge recipient) has done in the past. This was echoed by SME managers:

“Well, at least, when you do that, they are also obliged to do stuff for you.

Sometimes, you do that and they ask you questions, do you also know about this, they open up to you, you know. At times, you are helping out technically and they are giving you marketing tip, you know. I could just help you, you know” SC 07

“Well, like I said earlier, you belong to a number of other groups, of other networks, where you make it a point of duty to quickly share information that is available to you” SC 25

This discovery aligns with research which states that one of the reasons obligation is useful is because it guarantees that individuals in a social structure can access social capital when they need it. This is especially because the SME managers in these networks are often less self-centred (Coleman, 1988; Jha, 2017). However, this study took it further, demonstrating that the same obtains in a Nigerian SME context. Hence, to address the third research objective, **obligation** facilitates the transfer of knowledge because SME managers do their best to support each other.

4.3.5.2.2 Identification

Nigerian SME managers transfer knowledge to other SME managers in a network they identify with. This occurs during interaction of different SME managers in the same industry, such as industry-specific meetings. Hence, this is contrary to literature which asserts that large networks made up of bonding and bridging ties do not automatically guarantee access to special benefits (Portes and Landolt, 2000; Cederberg, 2012; Schwanen *et al.*, 2015). However, this study found that tacit knowledge can be transferred in a large network with weak ties when the nature of the discussion is intense. This was echoed by SME managers below:

“And I belong to one or two associations here also in Nigeria that deal purely on security issues. In Nigeria, for instance, we have ASIS Chapter 206. ASIS is the biggest security vault in the world, but Nigeria has a chapter. I mean, this is the network of where you have all of the security professionals all over the world. In Lagos, we gather once every month and so it is a good networking point for people to be able to network, know what you are doing, know what is happening and share also ideas. For me, being a member of that body gives you leverage to understand what is happening in other banks or helps you to understand what other banks are doing, what other banks are doing a bit differently and then borrow.” SC

04

Hence, when SME managers build close ties (Granovetter, 1982; Nahapiet and Ghoshal, 1998; Putnam, 2000) competitors can transfer trade secrets and knowledge.

4.3.5.2.3 Trust

In a country like Nigeria with high-level corruption, low-level trust, and low-level government support for SMEs, Nigerian SME managers rely on trustful relationships, a key element of relational social capital, to know who to bring into a network and who to transfer knowledge to. This aligns with literature which states that the existence of trust reduces the degree of personal interest of the network members, while increasing the level of effectiveness of the

members (Knack and Keefer, 1997; Geneste and Galvin, 2015; Battistella *et al.*, 2016). In other words, this study discovered that the low level of environmental trust in Nigeria raised its value among SME managers as a requirement for knowledge transfer. This was echoed below by SME managers:

“Once there is no trust, you may not be able to transfer knowledge with each other. Sometimes, someone may tell you what makes his/her company thick and wants you to just keep it yourself, once it is known, the trust is destroyed and there can never be any knowledge sharing between you again” **SC 22**

“Wow! In Nigeria, in our environment, honesty is very scarce. It is very scarce, you rarely see honest people and hardly will you” **SC 16**

Although this aligns with literature, the reason why it is important in the Nigerian context is because of high level corruption, low level trust, and low level government support for SMEs.

4.3.5.2.4 Reciprocity

This study found that Nigerian SME managers do not transfer knowledge to other SME managers (knowledge recipient) based on their needs alone, but based on their capacity and willingness to reciprocate. In other words, they selectively choose the SME managers with relevant resources, particularly the resources or knowledge they seem to be lacking in their own organisation. Moreover, the knowledge recipient must also demonstrate to possess resources/knowledge that would benefit the knowledge source. This was echoed by SME managers:

“It means that if I am going to get something from you, I must be willing to part with something. I must be willing to part with my time. I must be willing to part with my resources, I must be willing to part with so many things that I have within my, you know, within my, my confines, before I can get” **SC 01**

“Somebody that you just met within few seconds and he has given you one critical information that you have been looking for, for years, you know so with that you are able to trust that person that, oh, you can get more useful information from this person, if you get closer to them. You don’t leave the relationship there, and you too, you reciprocate” SC 10

Leveraging on reciprocity is an informal system adopted by Nigerian SME managers to ensure that their limited resources (knowledge, time and effort) are channelled towards the most beneficial end.

4.3.5.3.0 Understanding how Social Capital Influences Knowledge Transfer: Cognitive social capital

4.3.5.3.1 Shared Language

Nigerian SME managers are able to break tribal and social barriers by leveraging on shared language. Nigeria is a country with multiple languages and ethnic groups. Hence, when SME managers are able to connect through common language, trust often grows, thereby enabling knowledge transfer. This finding aligns with literature which highlights the role of shared language in knowledge transfer (Nahapiet and Ghoshal, 1998; Reiche *et al.*, 2015; Lefebvre *et al.*, 2016). However, it added to the debate by highlighting that the same applies in a multi-ethnic culture like Nigeria. This was echoed below by an SME manager:

“Number one, language break barriers; language breaks fixed walls. Sometimes, once you communicate in their language, you build trust. They now think, this guy, if he understands my language, that means that he understands what I will say and he understands everything about it” SC 02

Hence, leveraging on shared language helps SMEs build trust gain knowledge and access social capital.

4.3.5.3.2 Shared Values

Shared values play a key role in knowledge transfer because they facilitate trustful interactions between Nigerian SME managers, which facilitate knowledge transfer. This is because people are likely to trust people who share their values. This was echoed by SME managers below:

“for me, people will like it, it makes the job easier when you have like-minded people, you know that there are some people who hold the same values, some of the values that you hold, if they have the same values that you have, it will be easier to transfer the knowledge” SC 16

“And so for me, it is important that the person has integrity, somebody that I can hold bold and open communication with, that can align with my values” SC 04

Although this aligns with literature (Nahapiet and Ghoshal, 1998; Chang and Huang, 2012), it slightly differs in the Nigerian context in that shared values help SME managers mitigate potential barriers to knowledge by providing a common group to build rapport with a potential mentor or network gatekeeper which creates opportunities for SME managers to build social capital and transfer knowledge. The next section presents a conceptual framework developed from the findings in this study.

4.3.6.0 Conclusion

This chapter depicted how the thematic analysis process was utilised for data analysis. It demonstrated the step-by-step process embarked upon to analyse the data and validate it, coupled with the presentation of findings with supporting data extracts as evidence.

It also demonstrated how the research output addresses the aim and the three research objectives of this study. It took it further by discussing these findings in order to show how they align with or differ from the literature.

4.3.7.0 Overview

4.3.7.1 Conceptual Framework

Figure 4.9 represents the various sections of the findings in the framework. It is important to establish the conceptual framework at this stage, as this helps to illustrate the discussion of the findings above. This framework represents how the research aim and objectives were accomplished. These include: how Nigerian SME managers develop social capital, how Nigerian SME managers transfer knowledge among each other and how social capital influences knowledge transfer among Nigerian SMEs. Section 2.2.1 contains more details on the justification for developing a conceptual framework.

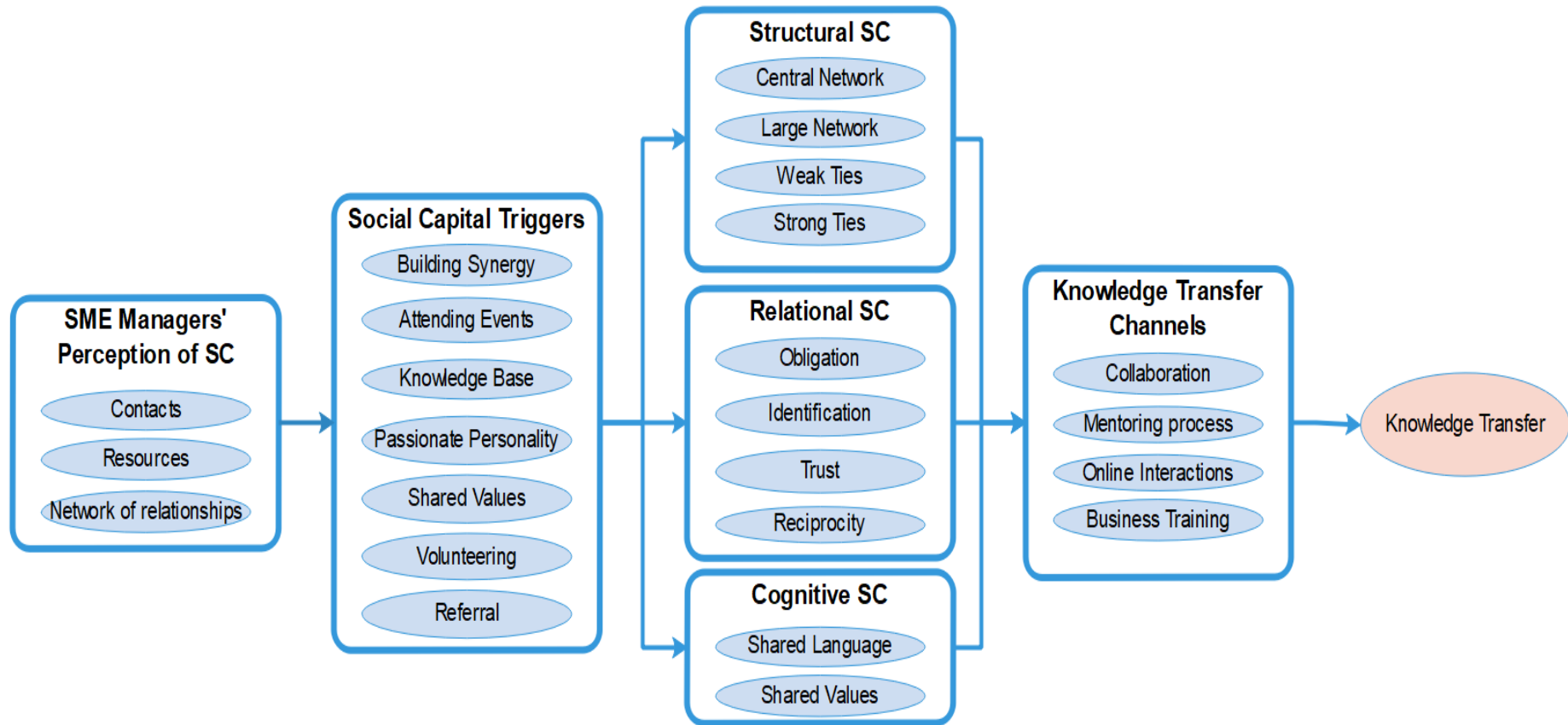


Figure 4.9: Conceptual framework for this research

Adapted from: Nahapiet and Ghoshal (1998)

4.3.7.2 Summary

This chapter explored and discussed the various research findings under the themes in order to demonstrate how the research aim and objectives were accomplished. Each of these findings was supported with relevant data extracts.

In conclusion, the key findings in this section reveal that Nigerian SME managers leverage on collaboration to transfer knowledge. Knowledge transfer through collaboration occurs when SME managers work together on various projects, especially when they get business orders beyond their competence. SME managers' collaborations provide cost-effective ways to gain access to relevant knowledge and remain competitive. Moreover, these collaborations occur between SME managers with shared values, passionate personality and strong business synergy. These collaborations happen within industry based business associations, as they often give opportunities for SME managers to know and familiarize themselves with potential collaborators. However, some other SME managers join cooperatives when they are unable to collaborate with others. These cooperatives facilitates knowledge transfer opportunities by creating a platform for interaction, reciprocity and mutual support. This is SME managers' strategy for surviving and thriving in a competitive Nigerian market with little or no support from the government.

Another finding includes that Nigerian SME managers leverage on mentoring process to access knowledge, especially rare, tacit knowledge, such as trade secrets, which often takes years to develop. This mentoring process often occurs between a knowledge source (SME manager) possessing more experience and competence and a knowledge recipient (SME manager) with relatively lower experience/competence. Although firms sometimes hoard their intellectual capital, based on this study, SME managers in the same industry (competitors) can share rare knowledge with members of the same industry if they have a mentoring relationship. In other words, strong ties existing in a relational social capital can transform competitors into 'collaborators'.

Nigerian SME managers transfer knowledge to other SME managers through social media platforms, such as WhatsApp and LinkedIn. These platforms facilitate knowledge transfer in

cost-effective ways. For instance, many of the SME managers claim to belong to WhatsApp groups where online seminars and workshops are held on various subjects, free of charge. Usually the coordinators of these WhatsApp groups invite different SME managers who are experts in specific subject areas to transfer their knowledge to members of the group. These platforms, by design, allow for interactions on the general group discussion or private chats where the mentoring process also takes place.

Nigerian SME managers adopt business trainings to facilitate the transfer of explicit and tacit knowledge, giving SME managers opportunities to build and sustain their competitive advantages. In Nigeria, business trainings can be organized by professional bodies, charities, or private bodies as a form of corporate social responsibility.

This study also found that Nigerian SME managers with conspicuous network centrality have high volume interactions with other members of the group which enhances knowledge transfer. Hence, when there is a demand for information which an SME manager does not know, they can connect the knowledge seeker to the appropriate knowledge source. Moreover, based on this study which aligns with literature, the centrality of their position facilitates competency as they interact and learn from other SME managers (Kang and Glassman, 2010; Kang and Sauk Hau, 2014). This study reveals that SME managers who founded networks, for instance, WhatsApp groups, often assume central positions by the nature of their role.

Large network ties create opportunities for SME managers to access knowledge and resources that help them compete effectively. The type of network they occupy determines the type of knowledge (explicit or tacit) they access. According to Todo *et al.*, (2016) Research asserts that closely positioned (neighbouring) firms share more similar knowledge and information with one another than with distant firms. This study added to the body of knowledge by highlighting that the same applies to SMEs that are within the same digital space, but not within the same physical space.

SME managers leverage on the nature of the ties to transfer knowledge to other SME managers. This study revealed that an SME manager can access relevant knowledge from a weak tie if they ride on the influence of their strong tie. In other words, if A and C have a strong tie, and if B has a strong tie with A but not C, then B can access high quality knowledge from C (with which it has a weak tie) if it gets a referral from A to approach C. Research asserts that strong ties facilitate the transfer of quality and useful knowledge.

Research depicts that strong ties facilitate greater transfer of useful knowledge because of the inherent trust in these ties (Ghoshal *et al.*, 1994; Szulanski, 1996; Tsai and Ghoshal, 1998). On the other hand, weak ties demonstrate greater probability of providing non-redundant information (Granovetter, 1973; Burt, 1992; Uzzi, 1996; Uzzi and Spiro, 2005). However, this study reveals that weak ties can also access tacit knowledge transfer if the knowledge seeker leverages on referrals. Hence, the nature of the ties plays a role in knowledge transfer.

However, this study aligns with research which states that one of the reasons obligation is useful is because it guarantees that individuals in a social structure can access social capital when they need it. This is especially because the SME managers in these networks are often less self-centred (Coleman, 1988; Jha, 2017). However, this study took this further, demonstrating that the same obtains in a Nigerian SME context. Hence, to address the third research objective **obligation** facilitates the transfer of knowledge because SME managers do their best to support each other.

Nigerian SME managers transfer knowledge to other SME managers in a network they identify with. This occurs during interaction of different SME managers in the same industry, such as industry-specific meetings. Hence, this is contrary to literature which asserts that large networks made up of bonding and bridging ties do not automatically guarantee access to special benefits (Portes and Landolt, 2000; Cederberg, 2012; Schwanen *et al.*, 2015).

However, this study found that tacit knowledge can be transferred in a large network with weak ties when the nature of the discussion is intense.

In a country like Nigeria with high-level corruption, low-level trust and low-level government support for SMEs, Nigerian SME managers rely on trustful relationships, a key element of relational social capital to know who to bring into a network and who to transfer knowledge to. This aligns with literature which states that the existence of trust reduces the degree of personal interest of the network members, while increasing the level of effectiveness of the members (Knack and Keefer, 1997; Geneste and Galvin, 2015; Battistella *et al.*, 2016). In other words, this study discovered that the low level of environmental trust in Nigeria raised its value among SME managers as a requirement for knowledge transfer.

This study found that Nigerian SME managers do not transfer knowledge to other SME managers (knowledge recipient) based on their needs alone, but based on their capacity and willingness to reciprocate. In other words, they selectively choose the SME managers with relevant resources, particularly the resources or knowledge they seem to be lacking in their own organisation. Moreover, the knowledge recipient must also demonstrate to possess resources/knowledge that would benefit the knowledge source.

Nigerian SME managers are able to break tribal and social barriers by leveraging on shared language. Nigeria is a country with multiple languages and ethnic groups. Hence, when SME managers are able to connect through common language, trust often grows, thereby enabling knowledge transfer. This finding aligns with literature which highlights the role of shared language in knowledge transfer (Nahapiet and Ghoshal, 1998; Reiche *et al.*, 2015; Lefebvre *et al.*, 2016). However, it added to the debate by highlighting that the same applies in a multi-ethnic culture like Nigeria. Shared values play a key role in knowledge transfer because they facilitate trustful interactions between Nigerian SME managers, which facilitate knowledge transfer. This is because people are likely to trust people who share their values.

Chapter 5: Conclusion

5.1 Introduction

This chapter concludes the thesis. It begins by reviewing the initial aim and objectives of the thesis, highlighting the key findings, a discussion of the study's contributions to knowledge, theory, and practice, and finishing with the limitations and future research directions.

5.2 Aim and Objectives

The primary aim of this study was to explore the influence of social capital in the transfer of knowledge among Nigerian managers of Small and Medium scale Enterprise. In order to actualise this aim, four objectives were defined:

1. To understand how Nigerian SME managers perceive social capital
2. To understand how social capital develops in Nigerian SMEs
3. To understand how Nigerian SME managers transfer knowledge among each other
4. To examine how social capital influences knowledge transfer within the context of Nigerian SMEs.

Table 5.1 shows how the research objectives have been met.

Table 5.1: How the Research Objectives Have Been Met

1. Understanding how Nigerian SME managers perceive social capital.	Overall, SME managers perceive social capital as contacts, resources and network of relationships that provide business advantages in a competitive environment.
2. Understanding how social capital develops in Nigerian SMEs.	SME managers who proactively build relationships, network and interact, are better positioned to meet potential knowledge sources. This they do by targeting SME managers with proven knowledge sources, joining business cooperatives, approaching potential mentors, volunteering, developing a passionate personality, attending business events, and leveraging online platforms like WhatsApp.
3. Understanding how Nigerian SME managers transfer knowledge among each other.	<p>SME managers leverage on Collaboration, Business cooperatives, Mentoring process, Online platforms, and Business training to transfer knowledge to other SME managers.</p> <p>To do this, they must, among other things, select contacts with integrity, especially in a country like Nigeria with weak infrastructural support for SMEs.</p> <p>This study has extended the research by finding that SME managers (in the same sector) with strong ties can share trade secrets without having a collaborative/alliance relationship. However, it was found that they had a mentoring relationship.</p>

<p>4. Examining how social capital influences knowledge transfer within the context of Nigerian SMEs.</p>	<p>Nahapiet and Ghoshal (1998) dimensions of social capital provided a broad conceptual guide. Hence, this study examined how their dimensions – structural social capital (centrality, large network, weak network and close ties), cognitive social capital (shared values, shared language, and share representative), and relational social capital (identification, obligation, reciprocity and trust), influence knowledge transfer.</p> <p>This study reveals that weak ties can also access tacit knowledge transfer if the knowledge seeker leverages on referrals which provide the privileges of strong ties.</p> <p>This study found that tacit knowledge can be transferred in a large network with weak ties when the nature of the discussion is intense. This happens among SME managers in large WhatsApp groups where SME managers barely know each other.</p> <p>SME managers can be overwhelmed with knowledge, particularly when they belong to a large network. However, this study revealed that Nigerian SME managers are able to manage this challenge by belonging to industry-specific networks, e.g. WhatsApp groups where knowledge is shared on a regular basis.</p> <p>Previous research asserts that closely positioned (neighbouring) firms share similar knowledge and information with one another compared to distant firms (Todo <i>et al.</i>, 2016). This study added to the body of knowledge by highlighting that the same applies to SMEs that are within the same digital space, though not within the same physical space.</p> <p>This finding aligns with literature which highlights the role of shared language in knowledge transfer (Nahapiet and Ghoshal, 1998; Reiche <i>et al.</i>, 2015; Lefebvre <i>et al.</i>, 2016). However, it has added to the debate by highlighting that the same applies in a multi-ethnic culture like Nigeria.</p>
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5.3 Summary of Fieldwork Key Findings

In relation to the first theme (***How Nigerian SME managers perceive social capital and knowledge transfer***), it was found that Nigerian SME managers perceive social capital as contacts, resources and network of relationships that provide business advantages to a competitive environment. This study revealed that SME managers do not pursue every contact: they carefully select contacts with integrity because of the weakness of institutions responsible for enforcing the rule of law in Nigeria. Selecting contacts with integrity helps to build trust, while drastically reducing the possibility of lawsuits. Moreover, SME managers have limited resources and time to expend on SME managers who are reluctant to reciprocate.

This study also found that Nigerian SME managers perceive social capital as resources. These resources are leveraged on by SME managers to get ahead in business, especially in a country like Nigeria with weak infrastructural support for SMEs. This makes accessing social capital even more important because it can be the difference between failing, surviving and thriving. Moreover, considering that social capital is also seen as resources, SME managers leverage on their network of relationships to secure resources in the future, based on reciprocity. However, contrary to literature that businesses hoard knowledge that sustains their competitive advantage (Nickerson and Zenger, 2004), when SME managers build close ties (Granovetter, 1982; Nahapiet and Ghoshal, 1998; Putnam, 2000), competitors can transfer trade secrets and knowledge without any form of alliance.

In relation to the second theme (***How SME managers develop social capital***), it was found that SME managers' networking and relationships skills impact on their access to social capital. Beyond attending events, SME managers who proactively build relationships, network and interact, are better positioned to meet potential knowledge sources.

Additionally, SME managers who deploy targeting techniques (focusing on the proven knowledge sources) are able to access knowledge sources with current, accurate and relevant

knowledge faster. This highlights how SME managers determine what business cooperative to join or who to approach for mentoring or collaboration.

Nigerian SME managers selectively build social capital with other social actors with relevant knowledge. In other words, they are deliberate about building relationships with knowledge sources with proven track records. This guarantees that they are able to access current and accurate knowledge. For instance, at an event, they deliberately look out for SME managers, e.g. conference facilitators, with unique and relevant industry experience.

Passionate personality of SME managers influence the development of social capital because it facilitates interaction and relationship. Moreover, SME managers with passionate personality usually proactively initiate conversation, sound convincing and are fun to be around. Hence, other SME managers often gravitate towards them, thereby creating social capital.

Nigerian SME managers leverage on social media to build social capital. They utilize various relevant social media platforms, such as WhatsApp, LinkedIn and Facebook, to connect and build social capital. These platforms create the opportunity to reach many SME managers directly with little or no bureaucracy, know the SME manager with the relevant knowledge to address their business problems and transfer knowledge. These are accomplished through different groups/networks created by SME managers.

SME managers are able to access these social media platforms through referrals and attending business events where they are invited to join such groups. However, to build social capital, SME managers must actively connect and network with members of the group, show common values, relevant knowledge base and passionate personality.

This study also discovered that SME managers utilize volunteering opportunities to build social capital, particularly in exclusive networks. The volunteers (SME managers) are able to access specific people and networks, especially when they bring unique skills to the beneficiaries (SME managers). Volunteering is often utilized by SME managers intending to access new industries and start-up SMEs with little or no social capital, as this creates opportunities for

knowledge transfer. These opportunities to volunteer are often accessed at business events, through referrals.

In relation to the third theme (***How Nigerian SME managers transfer knowledge among each other***), it was found that Nigerian SMEs managers are careful about selecting contacts with integrity because of the weakness of institutions responsible for enforcing the rule of law. This is especially important for SME managers, considering that they have limited resources and time to expend on non-productive outcomes. Moreover, it is not enough to select contacts with integrity: a contact must demonstrate the capacity to reciprocate and provide mutual value. This is notwithstanding the fact that network of relationships often exercise strong norms which sanction free-loaders.

Another finding is that social capital (resources) is leveraged on by SME managers to get ahead in business, especially in a country like Nigeria with weak infrastructural support for SMEs. However, SME managers are able to access these resources, e.g. knowledge by selecting relevant knowledge sources; this they do by attending events, developing cohesion, mentoring relationship or volunteering. These channels give SME managers some assurance that they are accessing quality and relevant knowledge from a trusted source.

This research discovered that contrary to literature that businesses hoard knowledge that sustains their competitive advantage (Nickerson and Zenger, 2004), when SME managers build close ties (Granovetter, 1982; Nahapiet and Ghoshal, 1998; Putnam, 2000), competitors can transfer trade secrets and knowledge. Moreover, this reveals that social capital enhances intra- and inter-industry collaboration, which implies that SME managers can access knowledge and resources across their industry, even from SMEs competing in the same market. This happens when there is a strong tie, for example, a mentoring relationship.

This study also found that building trust is especially important in Nigeria, a country with high-level corruption and weak institutions. Hence, this study found that social capital provides an informal structure that helps to screen and vet people before they are invited into a network.

This implies that generating trust precedes business transaction or knowledge transfer. However, trust, which is sometimes built through referrals, is sustained when SME managers keep their promises and meet their obligations. Trust may be initiated through referral, but sustaining it depends on what SME managers do over a period of time.

Considering that countries with a culture of high uncertainty avoidance like Nigeria often want some level of predictability (Hofstede *et al.*, 1991; Hofstede and Hofstede, 2005), Nigerian SME managers build social capital to ensure that they have some form of predictability and security in the future. Moreover, building social capital helps them gain access to a diverse repertoire of knowledge, especially when it is across industries. They accomplish this through a mentoring, volunteering, attending business trainings, business cooperatives, collaborations, social media and events. This is one key reason why they build social capital before they need it.

According to Chollet *et al.* (2014), social capital helps SME managers gain access to referrals, which helps them reduce marketing costs (Trusov *et al.*, 2009). However, this study discovered that SME managers leverage on referrals (from social capital) as a form of security, protecting them from accessing moribund or inaccurate knowledge. It is also a way of keeping the business opportunities within their network, which ensures that the opportunities are given to credible people, not frauds.

The findings also reveal that social capital helps SMEs to gain business advantage by saving time and avoiding red tape. However, according to Putnam (2002), this leads to the exclusion of individuals (SME managers) outside the network. In other words, it encourages nepotism and exclusion of other SMS managers who may be better qualified for specific opportunities.

Another shortfall is that considering that business advantages are often generated within close ties, it can also limit the number of innovative ideas members of these networks can access (Granovetter, 1982; Putnam, 2000).

In relation to the fourth theme, (***How social capital influences knowledge transfer among Nigerian SMEs***), it was found that Nigerian SME managers leverage on collaboration to transfer knowledge. Knowledge transfer through collaboration occurs when SME managers work together on various projects, especially when they get business orders beyond their competence. SME managers' collaborations provide cost-effective ways to gain access to relevant knowledge and remain competitive. Moreover, these collaborations occur between SME managers with shared values, passionate personality and strong business synergy. These collaborations happen within industry-based business associations, as they often give opportunities for SME managers to know and familiarize themselves with potential collaborators. However, some other SME managers join cooperatives when they are unable to collaborate with others. These cooperatives facilitate knowledge transfer opportunities by creating a platform for interaction, reciprocity and mutual support.

Another finding is that Nigerian SME managers leverage on mentoring process to access knowledge, especially rare, tacit knowledge, such as trade secrets, which often takes years to develop. This mentoring process often occurs between a knowledge source (SME manager) possessing more experience and competence and a knowledge recipient (SME manager) with relatively lower experience/competence: a mentor–protégé relationship. Although firms sometimes hoard their intellectual capital, based on this study, SME managers in the same industry (competitors) can share rare knowledge with members of the same industry if they have a mentoring relationship. In other words, strong ties existing in a relational social capital can transform competitors into 'collaborators'.

Nigerian SME managers transfer knowledge to other SME managers through social media platforms such as WhatsApp and LinkedIn. These platforms facilitate knowledge transfer in cost-effective ways. For instance, many of the SME managers claim to belong to WhatsApp groups where online seminars and workshops are held on various subjects, free of charge. Usually the coordinators of these WhatsApp groups invite different SME managers who are

experts in specific subject areas to transfer their knowledge to members of the group. These platforms, by design, allow for interactions on the general group discussion or private chats, where a mentoring process also takes place.

Nigerian SME managers adopt business trainings to facilitate the transfer of explicit and tacit knowledge giving SME managers opportunities to build and sustain their competitive advantages. In Nigeria, business trainings can be organized by professional bodies, charities or private bodies as a form of corporate social responsibility.

This study also found that Nigerian SME managers with conspicuous network centrality have high volume interactions with other members of the group which enhances knowledge transfer. Hence, when there is a demand for information which an SME manager does not know, they can connect the knowledge seeker to the appropriate knowledge source. Moreover, based on this study which aligns with literature, the centrality of their position facilitates competency as they interact and learn from other SME managers (Kang and Glassman, 2010; Kang and Sauk Hau, 2014). This study reveals that SME managers who founded networks, for instance WhatsApp groups often assume central roles by the nature of their role.

Large network ties create opportunities for SME managers to access knowledge and resources that help them compete effectively. The type of network they occupy determines the type of knowledge (explicit or tacit) they access. According to McFadyen and Cannella (2004), SME managers can be overwhelmed with knowledge, particularly when they belong to a large network. However, this study revealed that Nigerian SME managers are able to manage this challenge by belonging to industry specific networks, e.g. WhatsApp groups, where knowledge is shared on a regular basis. Previous research asserts that closely positioned (neighbouring) firms share more similar knowledge and information with one another than with distant firms (Todo *et al.*, 2016). This study has added to the body of

knowledge by highlighting that the same applies to SMEs that are within the same digital space, though not within the same physical space.

SME managers leverage on the nature of the ties to transfer knowledge to other SME managers. This study revealed that an SME manager can access relevant knowledge from a weak tie if they ride on the influence of their strong tie. In other words, if A and C have a strong tie, and if B has a strong tie with A but not C, then B can access high quality knowledge from C (with which it has a weak tie) if it gets a referral from A to approach C. Research asserts that strong ties facilitate the transfer of quality and useful knowledge.

Research depicts that strong ties facilitate greater transfer of useful knowledge because of the inherent trust in these ties (Ghoshal *et al.*, 1994; Szulanski, 1996; Tsai and Ghoshal, 1998). On the other hand, weak ties demonstrate greater probability of providing non-redundant information (Granovetter, 1973; Burt, 1992; Uzzi, 1996; Uzzi and Spiro, 2005). However, this study reveals that weak ties can also access tacit knowledge transfer if the knowledge seeker leverages on referrals. Hence, the nature of ties plays a role in knowledge transfer.

This study aligns with research which states that one of the reasons obligation is useful is because it guarantees that individuals in a social structure can access social capital when they need it. This is especially because the SME managers in these networks are often less self-centred (Coleman, 1988; Jha, 2017). However, this study took this further, demonstrating that the same obtains in a Nigerian SME context. Hence, to address the third research objective, obligation facilitates the transfer of knowledge because SME managers do their best to support each other.

Nigerian SME managers transfer knowledge to other SME managers in a network they identify with. This occurs during interaction of different SME managers in the same industry, such as industry-specific meetings. Hence, this is contrary to literature which asserts that large networks made up of bonding and bridging ties do not automatically guarantee access to

special benefits (Portes and Landolt, 2000; Cederberg, 2012; Schwanen *et al.*, 2015). However, this study found that tacit knowledge can be transferred in a large network with weak ties when the nature of the discussion is intense.

In a country like Nigeria with high-level corruption, low-level trust and low-level government support for SMEs, Nigerian SME managers rely on trustful relationships; a key element of relational social capital to know who to bring into a network and who to transfer knowledge to. This aligns with literature which states that the existence of trust reduces the degree of personal interest of the network members, while increasing the level of effectiveness of the members (Knack and Keefer, 1997; Geneste and Galvin, 2015; Battistella *et al.*, 2016). In other words, this study discovered that the low level of environmental trust in Nigeria raised its value among SME managers as a requirement for knowledge transfer.

This study found that Nigerian SME managers do not transfer knowledge to other SME managers (knowledge recipient) based on their needs alone, but based on their capacity and willingness to reciprocate. In other words, they selectively choose the SME managers with relevant resources, particularly the resources or knowledge they seem to be lacking in their own organisation. Moreover, the knowledge recipient must also demonstrate to possess resources/knowledge that would benefit the knowledge source.

Nigerian SME managers are able to break tribal and social barriers by leveraging on shared language. Nigeria is a country with multiple languages and ethnic groups. Hence, when SME managers are able to connect through common language, trust often grows, thereby enabling knowledge transfer. This finding aligns with literature which highlights the role of shared language in knowledge transfer (Nahapiet and Ghoshal, 1998; Reiche *et al.*, 2015; Lefebvre *et al.*, 2016). However, this research has added to the debate by highlighting that the same applies in a multi-ethnic culture like Nigeria.

Shared values play a key role in knowledge transfer because they facilitate trustful interactions between Nigerian SMEs managers which facilitate knowledge transfer. This is because people are likely to trust people who share their values.

5.4 Research Contributions

5.4.1 Contribution to theory

The findings add new theoretical insights into how social capital influences the transfer of knowledge among Nigerian SME managers.

- Following the process of theory elaboration (Voss et al., 2002; Ketokivi and Choi, 2014), this study extends the social capital theory (Nahapiet and Ghoshal, 1998) by including new constructs (Nigerian SME managers perception of social capital, Social capital triggers, knowledge transfer channels), as stated in the revised conceptual framework above (figure 5.1), in order to make available a more robust theoretical lens better suited for exploring how social capital influences knowledge transfer in this particular context, i.e. Nigerian SMEs.
- This research contributes to theory in terms of our theoretical understanding of the key knowledge transfer channels adopted by Nigerian SME managers in transferring knowledge (collaboration, mentoring, online interactions and business trainings), as stated in the revised conceptual framework above Figure 5.1
- This research contributes to theory in terms of our theoretical understanding of social capital triggers (collaboration, mentoring, online interactions and business trainings), which facilitate social capital among Nigerian SME managers, as stated in the revised conceptual framework above Figure 5.1

5.4.2 Contribution to knowledge

- This research added to knowledge by highlighting that the unique context of Nigeria's business terrain require that Nigerian SME managers carefully select contacts (SME managers) with integrity, hence they have to rely on **referrals** as highlighted in the conceptual framework in **figure 5.1** above. This is because of the low environmental trust, high level corruption and weak institutions responsible for enforcing the rule of law whenever there is a contract breach (Ijewereme, 2015; Lawal *et al.*, 2016). Moreover, selecting contacts with integrity helps SME managers to build trust, while drastically reducing the possibility of law suits. This is especially important for SMEs, considering that they have limited resources and time to expend on non-productive outcomes resources (Perez-Araos *et al.*, 2007; Chollet *et al.*, 2014; Eniola and Ektebang, 2014). This contributes to the body of knowledge as regards how the unique context of Nigeria influences why Nigerian SME managers develop social capital with certain other SME managers.
- This study contributed to knowledge by highlighting that SME managers (in the same sector) with strong ties can share trade secrets without having a collaborative/alliance relationship. However, it was found that they had a mentor–protégé relationship as highlighted (**mentoring process**) in the revised conceptual framework in figure 5.1.
- This study reveals that weak ties can also access tacit knowledge transfer if the knowledge seeker leverages on referrals which provide the privileges of strong ties. Moreover, this study found that tacit knowledge can be transferred in a large network with weak ties when the nature of the discussion is intense. This happens among SME managers in large **online interactions** (WhatsApp groups) where SME managers barely know each other, as highlighted in the conceptual framework see figure 5.1,.
- SME managers can be overwhelmed with knowledge, particularly when they belong to a large network. However, this study revealed that Nigerian SME managers are able

to manage this challenge by belonging to industry specific online networks (online interactions) e.g. WhatsApp groups, where knowledge is shared on a regular basis, as highlighted in the revised conceptual framework see figure 5.1).

- Previous research asserts that closely positioned (neighbouring) firms share more similar knowledge and information with one another compared to distant firms (Todo *et al.*, 2016). This study has added to the body of knowledge by highlighting that the same applies to SMEs that are within the same digital space, though not within the same physical space. This was highlighted in the revised conceptual framework as online interactions see figure 5.1
- Also, this finding aligns with literature which highlights the role of shared language in knowledge transfer (Nahapiet and Ghoshal, 1998; Reiche *et al.*, 2015; Lefebvre *et al.*, 2016). However, it has added to the debate by highlighting that the same applies in a multi-ethnic culture like Nigeria.
- Nahapiet and Ghoshal's (1998) dimensions of social capital provided a broad conceptual guide. Hence, this study examined how their dimensions – structural social capital (centrality, large network, weak network and close ties), cognitive social capital (shared values, shared language, and share representative), and relational social capital (identification, obligation, reciprocity and trust), influence knowledge transfer within the Nigerian context.

5.4.3 Contribution to practice

The research has given an insight into the role, skills and attributes that are required of SME managers, particularly in implementing knowledge transfer in SMEs within Nigeria.

- The findings from this study should have implications for the Nigerian government and relevant stakeholders by enabling them to develop appropriate policies for facilitating

collaborations, mentoring, online interactions and business trainings (see figure 5.1) among Nigerian SME managers.

- The theoretical framework developed from this research provides a platform for Nigerian SMEs to be aware of possible ways to trigger or develop social capital (building synergy, attending events, improving knowledge base, developing passionate personality, highlighting shared values, volunteering and leveraging referral (see figure 5.1) in order to be able to access knowledge.
- The study has the potential to evolve into an SME knowledge transfer toolkit which would help Nigerian SME managers assess relevant knowledge, which would enable them to survive and thrive, while boosting their competitive advantage.
- This study discovered that SME managers' networking and relationships skills also influence their access to social capital and knowledge. It is not enough for SME managers to simply attend events, they must be deliberate about building relationships, networking and interacting with potential knowledge sources.

The contributions are summarised in Table 6.2.

Table 5.2: Contributions of the Research

	Confirming	Extending	Discovering	Theory	Practice
How Nigerian SME managers perceive social capital.	X	X	X	X	X
How social capital develops in Nigerian SMEs.		X	X	X	X
How Nigerian SME managers transfer knowledge among each other.	X			X	X
How social capital influences knowledge transfer within the context of Nigerian SMEs.	X	X		X	X

In conclusion, the contributions of this study provide a comprehensive view of the influence of social capital in the transfer of knowledge amongst Nigerian SMEs managers.

5.5 Limitations of the Study

In this study, certain limitations exist. One of which is that the data was collected using semi-structured interviews from SME managers in 26 firms from the Western region in Nigeria. The study did not include SMEs from other sectors and other regions, which would have expanded the results. Despite these limitations, there is a growing importance of SMEs and research in this area is quite limited. Therefore, the findings from this study make a notable contribution on the transfer of knowledge amongst Nigerian SME managers.

In addition, another limitation of the study is with respect to the respondent demographics. The majority of the respondents were male, though unsurprising, considering that Nigeria is a country with high masculinity index, a factor which influences the number of female entrepreneurs. Moreover, Nigerian society is not favourably disposed towards female entrepreneurs. Besides, some of the female SME managers that were contacted declined the invitation to participate in the research.

Looking at the methodology, using a semi-structured interview comes with certain weaknesses as the interviewer might be biased during the interview or in how responses are interpreted (Saunders *et al.*, 2013). Establishing a relationship with the respondents could be challenging and some may withdraw during the process. Despite this, the interviews were successful.

In aligning with ethical considerations, the respondent profiles were anonymised and all information was kept confidential, and the identity of the respondents, as well as the companies, were not revealed in this study.

5.6 Avenues for Future Research

In order to understand the influence of social capital in the transfer of knowledge amongst Nigerian SME managers, some avenues for future research can be put forward. The study could consider a longitudinal research design to help better understand the processes involved in knowledge transfer over a period (Creswell, 2008). This would help to understand better the process of knowledge transfer by allowing the collection of information at intervals (Kumar, 2005). In addition, seeing that this study utilised a qualitative approach, a quantitative method could be used to add to the credibility of this study.

Further, research can be carried out to explore how social capital limits knowledge transfer among Nigerian SME managers as social capital has its limitations.

Increasing the number of the SMEs considered, and also the sectors, would further enhance the generalisation of this research. Also, this would enable researchers to find out if more social capital triggers and knowledge transfer channels would be found.

In conclusion, this study has added to the body of knowledge in the area of the influence of social capital in the transfer of knowledge amongst Nigerian SME managers. This is a notable research, which could be extended through further research conducted in the field within Africa.

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Appendix 1: Letter Introducing the Study to Participants



Influence of Social Capital on inter-firm knowledge transfer: A qualitative study of SME managers in Nigeria

Dear Sir/Madam,

I am a PhD student at the Business and Management Research Institute (BMRI) of the University of Bedfordshire. My research is on the Influence of Social Capital on Inter-firm Knowledge transfer: A qualitative study of SME managers in Nigeria.

Social capital refers to the collection of resources which are linked to possession of a durable network of relationships of mutually beneficial nature (what is generally referred to as "connection" in the Nigerian environment).

As part of the research project, I would be conducting a series of interviews on the above mentioned subject and would be grateful if your organisation would participate in this. The aim of this study is to help SMEs like yours improve their competitive advantage and business performance in order to survive environmental business challenges. Therefore, as a key part of your industry, your general opinions and practices regarding how your social capital (connections) influences knowledge transfer to other Nigerian SME manager is important.

The interview will last approximately 30-45 minutes. To be specific, questions will centre on how social capital plays a role in the knowledge transfer among Nigerian SME managers of SMEs, how you build relationships with Nigerian SME managers outside your industry, etc.

All information collected would be treated with very strict confidence and at the end of the project, you would be provided with a report summarising the current practice in your industry. Thank you for your time and cooperation in advance. I look forward to hearing from you soon.

Yours sincerely,
Victor Akunna

Researcher
Email: victor.akunna@study.beds.ac.uk

Appendix 2: Informed Consent Form




Consent for Participation in Interview Research

I volunteer to participate in a research project conducted by Mr. Victor Akunna from the University of Bedfordshire. I understand that the project is designed to gather information about the role of Social Capital in the transfer of knowledge between Nigerian SME managers. I will be one of the interviewees for this research.

1. My participation in this project is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue participation at any time without penalty. If I decline to participate or withdraw from the study, no one in my organisation will be informed.
2. I understand that most interviewees will find the discussion interesting and thought-provoking. If, however, I feel uncomfortable in any way during the interview session, I have the right to decline to answer any question or to end the interview.
3. Participation involves being interviewed by Mr. Victor Akunna. The interview will last approximately 45 minutes. Notes will be written during the interview and the interview would be recorded. If I don't want my voice to be recorded, I will not be able to participate in the study.
4. I understand that the researcher will not identify me by name, in any report, using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure. Subsequent use of records and data will be subject to standard data use policies which protect the anonymity of individuals and organisations.
5. Individuals from my organisation will neither be present at the interview nor have access to raw notes or transcripts. This precaution will prevent my individual comments from having any negative repercussion.

6. I understand that this research study has been reviewed and approved by the Business and Management Research Institute Ethics Committee. The committee can be reached at rgsoffice@beds.ac.uk
7. I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.
8. I have been given a copy of this consent form.

Your Name		Date	
Your Signature		Researcher's Signature	

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Appendix 3: Interview Guide

Title: Influence of Social Capital on inter-firm knowledge transfer: A qualitative study of SME owners in Nigeria

Aim: This research aims to explore social capital role in knowledge transfer between Nigerian SME managers of Small and Medium-Sized Enterprises

- 1. Name of organisation**
- 2. Duration of business**
- 3. Industry**
- 4. Age bracket**
- 5. Staff strength**

To understand how Nigerian SME managers perceive social capital.

- a) What do you understand by the term social capital and knowledge transfer?
- b) What factors are important in developing social capital?

To understand how social capital develops among Nigerian SME managers of SMEs

- a) How do you build relationships that facilitate knowledge transfer to other Nigerian SME managers?
- b) How do you usually meet SME managers?
- c) How do you choose/determine the SME manager you build relationship with?
- d) How does the Nigerian environment play a role?

To understand the Knowledge transfer channels adopted by Nigerian SME managers

- a) How do you define knowledge?
- b) Why is knowledge important to your business?
- c) How do you know there is a knowledge gap within your organisation?
- d) How do you discover the knowledge source that would fill your knowledge gap?
- e) How do you transfer knowledge to other SME managers of Nigerian SMEs?
- f) What stages does this go through?
- g) How do you integrate the knowledge into your system?

To understand how social capital influence knowledge transfer within the context of Nigerian SME managers

- a) How does social capital play a role in the knowledge transfer stages among Nigerian SME managers?
- b) How does reciprocity (mutuality benefit- do for me I do for you) play a role in the transfer of knowledge between Nigerian SME managers?
- c) Do you have any unwritten/written rules guiding knowledge transfer to other Nigerian SMEs managers?
- d) How do social norms (written/unwritten rules) play a role in the transfer of knowledge among Nigerian SME managers?
- e) How does trust play a role in the transfer of knowledge between Nigerian owners-managers of SMEs?
- f) How does social capital limit the transfer of knowledge among Nigerian SME managers?
- g) How does weak emotional closeness influence KT?

- h) How does strong emotional closeness influence KT?
- i) What are the factors influencing the use of social capital in knowledge transfer among Nigerian SME managers?
- j) How would you describe the Nigerian environment?
- k) How does SC help to transfer knowledge in Nigeria

Appendix 4: Sample of the Transcribed Data

Interviewer	Victor Akunna	Staff size	16
Interviewee	SC 03	Years in business	12 years
Industry	Logistics & Manufacturing	Duration of interview	51:56

Victor For the record, what is the name of your company and what industry does it belong to?

SC 03 - Ok, the name of the company is BB, we are into manufacturing. We manufacture plastic and packaging materials.

Victor - Ok, awesome! What is the size of your staff strength?

SC 03 - we are 16.

Victor - And how long have you been running your company?

SC 03 – We have been running it for 12 years

Victor - Can you give me your age bracket please?

SC 03- 35 - 45

Victor - What is your understanding of the term, Social capital?

SC 03 – Ok, in my own understanding, if we are talking about SC, I think we are talking about intangible resources; something that is of value, but is untouchable. That is the way I see it, something that we need, but cannot carry around. That is the way I see it, let me just put it that way.

Victor - So what role does that play in your business?

SC 03 - For me, I think it is everything regarding my business. But to be candid, it is very scarce around here. I am talking as a Nigerian. It is very scarce, it is not something that is readily available. Some of us dig, dig, dig, dig, deep, to get it. Some of us go the extra mile just to get it. It is what we need, but it is not there. Yeah.

Victor - Ok, so how do you develop this SC?

SC 03 - The way I put it, may be because of my experience. Like for example, you belong to Ikoyi Club, right? In Ikoyi Club, you will meet guys there; you will have a lot of connections and all that. But do you know what it takes you to belong in Ikoyi Club? Even when you join Ikoyi Club, some guys are still watching you. Who is he? Where is he coming from? What does he know? What does he have? It's not like you come in and they look at you, yes, they

won't support you or give you anything. Instead, everybody is looking at you like what am I going to get from him before I give to him whatever he needs?

Victor - Hmm... I get you

SC 03 - So all I am saying is that for SC, it is about what we need and who we need to get it. However, for us to get it around here, is an effort, but when we get it, the benefits are enormous.

Victor - Hmm... Ok now, let's look at it this way. For the ones you have already gotten, how have you developed it?

SC 03 - Ohhhh...it is taking me to places, it is taking me to places, seriously, seriously. It is taking me to places. For example, there is a guy I met six years ago who came from all the way from America to do some stuff here and I just helped him to do one or two things, just telling him, " **SC 03**, you can do this." To cut the long story short, the same man is taking me around, even to Government offices today. Yes! So for me, when you have people who are willing to give without expecting anything, then you know that it will take you to places.

Victor - Beautiful! How do you build this type of SC?

SC 03 – Hmm, well, it all depends, it all depends. For me, attitude matters. One thing I think works for me is attitude. The way I treat you the first time I meet you, whether you are big or you are low, whether you are local or you are foreign, I give you the same respect that I will give to any other person. I do not want to assume that this is nobody. So when I treat people that way, what I discovered is that in return, they treat me the same way. So for me, I always look at, ok, what do I give out first? Give out now, I don't mean helping, I am talking about my attitude. The kind of attitude, the kind of respect that I offer to that person. In most cases, it is what I get back in return.

Victor - Hmm... Interesting. So how do you choose who you will build this kind of SC with? Do you build it with everybody?

SC 03 - No.

Victor - So who do you build it with, how do you decide?

SC 03 - Now, this is it for me. I may be wrong, I may be right, but sometimes I bank on personality. There are some kinds of personality that I just know within me that we can't gel. For example, if you are sanguine, especially undeveloped sanguine, there is this, there is this boundary between me and them because I hate people that talk too much and act less. So if I discover that this is you, you would have raised a red flag for me, so I don't want to go there. When I see people that are cool, that are calm, people that are detailed, see, what I am looking for is what I don't have, that is what I am looking out for. Ok, I know that I am agile and ready to go anywhere, but even with my readiness to go anywhere, I am impatient, so I need

somebody that is cool, somebody that is calm. So when you are cool and you are calm, originally, you will attract me. But when you are up and down, I look at you, this is not the kind of person that I need for now. So I look at you from the area of personality, ok, look at this person personality or sometimes, may be knowledge base - Ah! This guy knows more than I do so... That is the way I choose anyway.

Victor - So you consider the person's knowledge base and you also consider the person's personality

SC 03 - Yes, personality.

Victor - Nice, awesome! How do you normally meet these people? You've talked about how you build the relationship, so where do you normally meet these people?

SC 03 - Now, that's a very big question for me, I am not a social person. If I tell you that I have never been to any Club before, you may not believe it. Apart from maybe when I travel out of Nigeria and some of my clients take me to Clubs. Anyway, I don't flow, less than 30 minutes I am out. I am not that kind of Club person, but most of my relationships come through businesses. May be we do one or two things together and we get talking, just gel together. Oh, I like this person and from there we take it beyond business. But in most cases, I get my connection, my links through businesses, not any social gathering, not Club, not partying, not sports centre, I don't do all that. Yeah.

Victor - Ok, is it like an association or something?

SC 03 – I can call it association, but it's kind of a business circle, ...like ok now I help this person to do this, I supply this person and from there he introduce me to one person, you know, just from that small circle.

Victor - Ok, ok, alright, that's good. Ok, so how do you transfer knowledge to other SME managers like yourself?

SC 03 - Ahh... that's a big task. This is what I do. Let me cite an example. Let me use my factory for an example. I have two managers, one does morning shift and one does night shift and for the first six months, I do all the shift with them, I do all the shift with them. That ok, we are here together. I didn't bring this Oga (master)-servant of a thing. I tried to make it open that guy, you are on your own and I am on my own, we are working together here. If you can see me as your colleague, better for you. And some of them, even though they still call you "Oga sir, sir, sir, sir", they still play along that way. Now, when you create that kind of platform of we are together, it is easier for you to transfer because at that level, you are taking it to personal level, it is not that this is the rule of the game.

We are not playing by the rules, we are trying to bring the rules down. So when you go personal, when you share your own experience, where you began from, when you show them that you have been like them before, it is easier for them to flow with you. When you are telling them, "ten years ago, I used to be like this, I used to be like that", when you are telling them what you are doing now, they flow along, so through that means, it is very easy to transfer, that ok, so time, this and this is what I do, this and this is what I do that gets me here. For me, I try to go a bit personal and break this wall of master-servant of a thing.

Victor - Hmm.. ok, what you described is how you transfer to your staff members, but I am talking about how you transfer to other owners and managers of SMEs, other people that run SMEs like yourself?

SC 03 - The truth of the matter is that I don't have such platform, I don't have such platform to do that, but those that I have personal contact with, I do it once in a while.

As in, ok, the things working for me, things that I have discovered, the latest technology I have discovered, may be when I am in China or any country, by the time we come together and I sit with them, we share together.

It is not that we have a group of an association or a body where we can do such a thing together.

Victor - So what you are saying is that it is more like an informal thing, not a formal thing.

SC 03 - Exactly! Exactly!

Victor - So for those people you have such relationship with, how does that relationship influence you transferring knowledge to them or they transferring knowledge to you?

SC 03 - See, sometimes, life is give and take, sometimes, it is give and take. For example, like if I discover technology or a kind of new wind or packing material, and I come back and meet few of my friends and share with them, guys if you are mixing LLD, HDP, ratio 1-3 together, you can add master bash 1-3, you will get this result.

Now, it is as if they are waiting for you to say that. The moment you do that, not everybody anyway, but at least most of them will release something that you don't even know. That is one thing that I have discovered overtime, most especially when you are doing it genuinely and they know that you just discovered it, not that you have always known and you have been hiding it from them. You just discovered it and you are sharing it live, there is a way that it works, that they will just know that you are sincere and they too will leak something in return. For me, it is just like a matter of give and take, but you have some people that won't bother to release anything. All they want from you is just to keep getting and keep getting and keep getting.

Victor - Powerful! That kind of answers my next question on reciprocity. I was going to ask how reciprocity plays a role in the transfer of knowledge

SC 03 - Oh, it does

Victor - Yes, which you have kind of answered. Now, do you have any form of written or unwritten rules guiding the knowledge transfer to other owners and managers of SMEs?

SC 03 - No sir, that's what I was trying to say. We don't have such structure around here yet, or maybe we do which I do not know.

Victor - Even if it is an unwritten rule, like what you said – “people do not share information with you unless you share with them”. That is an unwritten rule. Do you have such rules?

SC 03 - Yeah, like I said before, if you do not share with you overtime and I discover that you are not giving anything I return, I will keep it to myself. If I discover that this is the kind of person that all he wants is to come and take. I have loads of them on Facebook, on social media, they keep asking questions and you keep explaining and you find out overtime that they were just using those information for themselves. They intentionally come around just you to get few information and run away. Some will even price of machine from me, I will give them idea of setting up the plant, do the brief master plan for them and they disappear, so overtime I have decide, if I do it for you the first time, second time and you didn't get to me or you didn't do anything in return, third time, I will shut you down.

Victor - Hmm... Ok, nice. Does trust play a role in knowledge transfer?

SC 03 - 100% 100% 100% Trust is the basis for transferring knowledge. It is all about trust, it is all about trust. Who is this guy? Why am I giving him information? What is he going to do with the information I am giving to him? Will he use the information negatively or positively? This trust I am talking about is not the long term thing for you to build, you can actually get it within days

Victor - How?

SC 03 - By profiling the person. Who is this? Where is he coming from? So for me, Trust is the number one thing. No trust, no transfer of anything

Victor - Now, that is another rule you don't even know you have

SC 03 - It is another rule!

Victor - Now, does SC limit knowledge transfer in any way?

SC 03 - Yes, I will say yes. See, some of my answers, I am looking at my Nigerian environment, right? For example, if you are in Nigeria and you want to do business with government, like it or not, you must have political affiliations. If you want to go far, most of us as business guys are trying to join one political party or the other. For example, APC is in government now and

you are doing project with APC, number one thing they will do is to go to your social media, check everything about you and profile you. If they know that you have affiliation with PDP before, they limit the kind of information they release to you. This is fact, I am doing a project with my State and I was with the previous governor, Governor XX. When I discovered that the election was going one way or the other and that PDP will not win, I had to run around to ask for who knows the present governor, I had to stop posting anything that has to do with politics on my page. Now, what it means is that if they discover that you are with PDP, it limits the kind of information they release to you. I am speaking as a Nigerian, I do not know if the same thing applies elsewhere.

It is still happening to me till date, we are still on it. So, you have to know where you belong around here.

Victor - Are there any form of barriers that influence the use of SC in the transfer of knowledge.

SC 03 - Yes, yes, when people use it against you, when people use it against you. I cited my factory somewhere in Ikorodu. That environment is an industrial area and we enjoy power sometimes for 24 hours in a day, unusual in Nigeria. There is this friend of mine I was talking to and he said let me help you to set up a factory using diesel and I said, "no, I don't use diesel, I don't even have generator" and I said "let me take you to where I cited my factory" and I took him there, very close to my cite and he bought a parcel of land, 1000sqm and he was trying to build his factory. I travelled and before I came back the guy had turned things around. I was the one that run transformer in the area and before I came back the guy took one leg of the transformer and they nearly shut down my own factory.

Now, the question for me is this, I was the one that encouraged this guy to come to Plastic Industry, I was the one that gave him all the information, even the machinery, the operators, I did all that, and now the same guy is using all the information I have gave to him against me. He is just one out of many, it is not regular, but things like this, when they happen and you have not come up to the level that you have made up your mind that no matter what happens, I will keep doing this thing, it can shut you down forever.

Victor - Wow! Is there any other barrier that can limit apart from this?

SC 03 - Fear sometimes. Fear sometimes, that I don't know, if I release this thing... but for some of us, if you have grown beyond that level of fear, you don't care about that anymore. But at a level, you will just be looking at it, hmm...be careful of what you release. Sometimes, lack of trust, you don't know who you are dealing with; they could use it against you if care is not taken. Those are the few things I think could be a kind of barrier.

Victor - Awesome! You talked about the fact that you have some relationships, they may not be a lot, but how do you describe your network, what is the makeup of your network?

SC 03 - As in numbers?

Victor - Yeah, may be numbers, what kind of people? Are they people in your industry or outside your industry?

SC 03 - I do few within my industry and I have loads outside my industry.

Victor - Ok?

SC 03 - By the time you find out, you will find out that doing business around here, you need the same idea, you need the same street wisdom. The market is the same. Either you are a manufacturer or a service giver, we are dealing with the people. You will find out that the same experience the person in another industry has, you need it. It is not necessarily that the person is in Plastic or manufacturing line. Not really.

Victor - Interesting! So what you are saying is that SC can still be relevant in the transfer of knowledge to another industry?

SC 03 - yes, capital Yes

Victor - And that knowledge can be relevant to you even though you are not in the same industry?

SC 03 - Very relevant. I have guys that work in banks and sometimes I will be with them whenever I am doing any transaction and I spend few minutes with them. Sometimes, they enlarge my heart, even with the kind of information they have access to. Ok, like for example, I have someone in GTB who told me last week, "hold on, don't buy Dollar, I know you are going to China, but hold on, don't buy Dollar now, something is going to happen this week". So I decided to hold on. He is a banker and I am a manufacturer! This guy saved me a million plus.

Victor - Just by giving you relevant information

SC 03 - Yeah

Victor - Interesting! So if you are to rate relationships within your industry and SC outside your industry, which one pays you more and why?

SC 03 - Outside, outside. I will rate outside 70 and my industry 30

Victor - Why is that?

SC 03 - See, in my industry, yes, we are in it. We know one or two things, it is just few, few things that you get that inspires you, but when you get it outside, it is fresh, it is far different from what you are used to. When you keep giving me the same food over and over and over, I

am not enticed anymore, When you prepare another fresh delicacy, then I know that I am getting something new, something fresh.

Victor - Is it all the time that you get this kind of fresh ideas from outside?

SC 03 - To them it may not be fresh idea, but for the fact that you are getting it from them and it is not in your line before, it makes you think differently. Unlike you telling me the HDP and LDP that I have been hearing for years. So that is just the difference, it is good to pitch our tent sometimes with those that are not doing the same thing with us.

Victor - That's deep! How does where someone belong in your network influence knowledge transfer for you?

SC 03 - It does in a way, not always. For example, experience is key, you can't buy it. I have a senior friend who is an elderly man and sometimes he will tell me, "I have been like you before" and I will be asking him "when you were like me, what were you doing" and he will tell me the way you are up and down, today you are in China, tomorrow you are in America, I was like that.

I will then ask what is the benefit? And he will say it has its benefits, but as you grow, you need to streamline it down to a place. Now, you may say that is not SC, you may say that is just personal advice, but we belong to the same network where I have access to ask him some questions, so for me, age helps. Now, for the younger ones, those that are younger to you, sometimes you are losing your speed, sometimes you are losing your energy and you look at them with that zeal in them with the way they do things and want to revive yourself again. So both sides do have their benefits, it just depends on which one you are looking at.

Victor - Does the type of knowledge you get from these different levels vary?

SC 03 - It varies, it varies because the way you see things differ.

Victor - How do you mean?

SC 03 - The elderly ones will look at things and say, guy take it easy, we have run this kind of race before. The younger ones will say, we need to do it now, we are young, let's do it now. So you are in the middle, then they put you together. Do I go this way, do I go the other way, so they help your decision.

Victor - How do the personal relationships you have built influence knowledge transfer?

SC 03 - If you go back to my initial responses, I told you it is actually based on personal relationships. Yes, I is good to have network, it is good to have people together, but sometimes, most of those people are watching you, they want to know you first, they want to see, ok, can I flow with this person? When you get to that level of personal relationship, anything is releasable, any information - business-wise, financially, maritally, name it. You get to know

them better, they open themselves up to you. But when we are at the level of official, official, people will just release information at different levels. At this level, let me give this, at this level, let me release this to them, but when you go deeper, you will hear deeper things. So personal relationship is key.

Victor - Hmm...so what you are saying is the depth of the relationship, the emotional closeness influences knowledge transfer?

SC 03 - It influences the kind of information, the kind of knowledge, the kind of idea you transfer. Because around here we have discovered that information, knowledge is power and like I said initially, it is scarce, it is scarce commodity around here, and people don't just give it out.

Victor - You said that SC is scarce in Nigeria. Why did you say that?

SC 03 - Will I say because of our mindset or will I say because of our environment? People just believe that if I release this information, somebody, somebody, somewhere will use it. Do you know guys that are going around with loads of business plans? They can't share it with anyone. You ask them, what is your business plan, they don't explain it to you, and they paraphrase. Why? They are afraid, ha! If I give this Oga my business plan, he will use it. I don't blame them, it's just that they need to grow beyond that, develop your business plan such that "without me you cannot do it", but it is still happening around here. It is fear, fear that if I release this information, hmm... who knows?

Victor- We have looked at the position of the hierarchy the person occupies in your network, the personal relationships and the nature of the network. Now in most industries, there are common languages or common perspectives in the way they see things, how does that influence knowledge transfer?

SC 03 - Well, will I say that it really encourages knowledge transfer? It is just that it enhances what we decide to do together, not really knowledge transfer. Ok, for example in the Association of Plastic Manufacturers blah blah blah, it is time to increase nylon bag to N11,500, right? And we all agreed that we want to do this. For me, I do not see that as knowledge transfer, we are only enforcing our personal interest. It is different from "guys our nylon is not black enough, can we increase the percentage of mustard bash that we put in?" So sometimes, the kind of networking we have around here is about ok, what we can achieve together, it is not really about sharing knowledge.

Victor - Hmm...so having a common language or a common perspective does not really influence knowledge transfer.

SC 03 - It benefits all of us together, but it does not make us better when it comes to knowledge base.

Victor - We have looked at the position someone occupies and personal relationship, between these two, which influences knowledge transfer the most.

SC 03 - Personal relationship

Victor - Why?

SC 03 - You can be a professor, full of knowledge and hide the knowledge till you die, but when you have a personal relationship with somebody and you really want to help, you may not have the information, but you can go extra mile to get the information for the person. So for me, I will pick personal relationship over the position.

Victor - Hmm... Interesting! Now, when you are transferring knowledge to another SME business owner or manager, what processes do you follow from the conception to the final transfer?

SC 03 - For me, this is how it works. There is thing I call ground preparation, it is just to whet your appetite, make you fall in love with what I do I create that "ask-more fear" that makes you begin to ask questions. I won't just come out and release information out to you because if I release to you and you are not passionate about it, it's just like waste of effort. This has come out of my personal experience, as in trying to encourage somebody that you can do it and the person is looking at you like I am not interested! So what I do is to create that ask-more fear, to make them fall in love. For example, whoever I want to encourage to start factory, I start from the angle of I know you can have money, but you can make more money. If you are making more money, you are not the only one that is making more money, you are creating employment, God is happy with you and Nigeria and the economy is getting better. So I create that kind of platform and then from there I begin to build on it.

Victor - Interesting! Beautiful! How do you identify a knowledge gap in your industry?

SC 03 - How do I what?

Victor - How do you identify a knowledge gap that you then decide that you need knowledge transfer for.

SC 03 - Ahhh...That's a difficult question for me to answer. You know why?

Victor - Why?

SC 03 - Because we do not have that body, as in that strong body that errm... how do I put this? We don't have that structure on ground that we can say, ok, guys we are not doing better. There is this spirit around here, I call it the Spirit of Individualism. A lot of us, we are the King and the Lord of our factory and some others are the Alpha and Omega, it's like, I do not want

to depend on anybody. So you cannot really factor it and say, guys, we are losing it, I think we are supposed to do 50Tonnes weekly or daily, we do not have anything to measure that.

Victor - Interesting!

SC 03 - Except if you are talking about industries like banks, like Insurance. Yes, those guys have data, but for SMEs, we do not really have data.

Victor - Hmm...So for you, how do you know you need to improve a certain aspect of your business?

SC 03 - For me, it is market that determines that for me.

Victor - How do you mean?

SC 03 - By the time I get to the market and I see that all of us are doing the same product, I just get tired of the product easily. If A is bringing 24cm bag, B is bringing 24cm bag and this is the same bag we have been doing for years, nobody is changing colour, nobody is changing size, we are doing the same thing over and over and over. So for me, it is the market. I just look at the market trend, all of us are going this way, me I want to go the other way.

Victor - Interesting! So how do you resolve reoccurring problems that you notice in your organisation?

SC 03 - This question I will still refer to the fact that we do not have structure, we do not have structure to measure all that.

Victor - So when you get knowledge and somebody shares knowledge with you, like the elderly man for example, how do you go about integrating it into your organisation?

SC 03 - I break it down, simplify it. Most times when an elderly man shares an idea with you, what they are saying to you is be more tactical, patient, focused. What are we doing impatiently? What are doing that we are using this youthful exuberance, that we want to do it now, now, now, now and if we continue that way...?

Like for example, we have an elderly man who is a cutting machine repairer, I call him Papa TJ. The man should be around 70 and he has been repairing this machine for years. So when he comes, he will say to me, "slow down your cutting machine, don't run beyond 100. If you run beyond 100, you will shut down and when you shut down, you will discover that all your speed, you will lose everything".

Over and over again, it has happened like that. I want to do 50 bags per hour and I increase the speed of my machine to 150, for example and he will tell me, "don't do that!", so when I have crashed, not once, not two times, not three times, I have learnt my lesson. I listen to the man, I even tell him, "Oga reduce it to 90 let me be going steady. Slowly, we will get there."

Victor - Last question! Now, operating in Nigeria, how does the uniqueness of Nigerian environment impact SC?

SC 03 - Haa... Negatively or positively?

Victor - Both please

SC 03 - Positively depends on the relationship that you keep. For example, what I told you happened in the banking sector about someone asking me not to buy Dollar. Do you know that at the same time, that information acted against someone else somewhere, but for me to be in the circle of that person, it favoured me, I benefitted from it positively. Yet, we may say that the environment is porous, Nigerian factor will set in, but even at that there are some basic information you get and it favours you. So those are the pros and cons, sometimes, it will favour you, sometimes, it will be the other way round.

Victor - Generally, how will you describe the Nigerian business environment?

SC 03 - The Nigerian environment is a fighting land that we are only dealing with the surface for now, whereas the foreigners, the outsiders are digging deep. I don't know whether it is laziness, I don't know, but we are just dealing with the surface, the soft part.

Victor - Does SC play a role in this in any way?

SC 03 - Big role! Big role! Those guys have access to information that we, Nigerians do not have access to.

Victor - How do they get access to the information?

SC 03 - I don't know, but I just discovered recently that they have guys in high places that give them information, most especially the government. They know everything we have in each State. Some Indian guys, some Chinese guys will describe your State for you, will tell you the kind of amenities you have in your State that you do not even know.

Victor - Interesting! So they are leveraging on SC as well.

SC 03 - Seriously! SC in high places.

Victor - Interesting! Wow! Thank you so much for this fantastic interview.